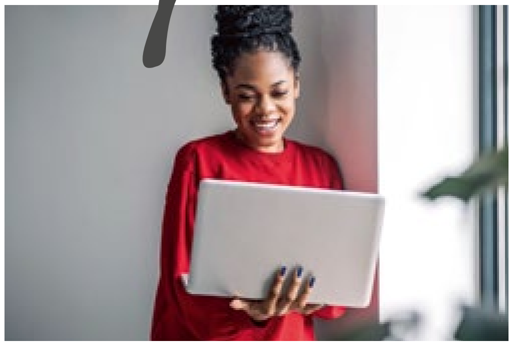
Annual Report and Financial Statements
for the year ended 30 June 2021

Business *the right way*



Wilmington plc

OUR PURPOSE

Helping our customers to do the right business *in the right way*

Strategic Report

Our Governance

Financial Statements

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Investment case

Unique solutions
in a growing market

Clear vision and focus

We help our customers to do the right business in the right way, by providing them with a complementary range of Information & Data and Training & Education solutions. We are committed to investing in operational excellence and embedding a unique set of core competencies across the portfolio to drive sustainable value for our stakeholders.

Why invest?

Unique GRC platform

Powerful combination of well recognised brands in Information & Data and Training & Education solutions, serving the resilient and growing Governance, Risk and Compliance market

26+
years' experience

High proportion of recurring revenues

Consistent and sustainable revenue streams, with a focus on recurring subscription and membership revenues with high renewal rates

38%
subscription and membership revenue

Diverse and resilient

The resilience of our portfolio is enhanced by a diverse customer base and low customer concentration

Agile and customer led

Strong customer-led product management culture, reinforced by agile approach to hybrid delivery formats

High conversion of operating profit into cash

Strongly cash generative business reflected by

104%
conversion of operating profit into cash

Commitment to dividends

6.0p
total dividend

Read more on our strategy on pages 13 to 15

Digital innovation and hybrid solutions

Attractive portfolio of digital-first data & information assets and innovative digital learning solutions

Headlines

Digitalisation *drives success*

"

We have continued to refine and embed our digital capabilities across the business, reflecting our ambition to create a fully digital enterprise whilst retaining the flexibility to offer our customers face-to-face and hybrid solutions.

These strong results with profitability up 27% demonstrate the continued and growing demand for our information and data products, despite the disruption caused by the pandemic.

We are now at an inflexion point with a simplified portfolio and are well positioned to address large and growing markets which are increasingly online.

The current financial year has started well, in line with our expectations.

Mark Milner, Chief Executive Officer

Financial highlights

- Revenues flat at £113.0m (2020: £113.1m) despite full twelve months of Covid-19 restrictions
- Organic[1] revenue growth 3% (2020: down 8%) demonstrating continued strong demand
- Adjusted profit before tax[2] up 27% to £15.0m (2020: £11.9m) reflecting focus on costs and efficiencies realised through conversion to digital
- Adjusted basic earnings per share[3] up 27% to 13.62p (2020: 10.71p)
- Statutory loss before tax £2.0m (2020: profit £6.4m), basic loss per share of 5.18p (2020: earnings 5.33p) impacted by £14.8m non-cash impairment charges
- Dividend reinstated in the year, final dividend at 3.9p (2020: nil); total dividend 6.0p (2020: nil)
- Strong cash conversion[4] of 104% (2020: 189%)
- Significantly reduced Group net debt (excluding lease liabilities) at £17.2m (2020: £27.7m) reflecting strong trading, effective working capital management and small product disposal

1 Organic – eliminating the effects of exchange rate fluctuations and the impact of acquisitions and disposals.

2 Adjusted profit before tax – see note 2.

3 Adjusted earnings per share – see note 9.

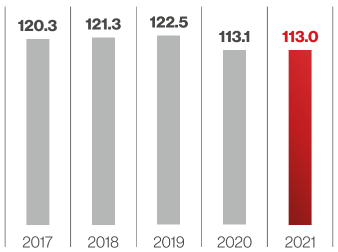
4 Cash conversion – see note 29.

Operational highlights

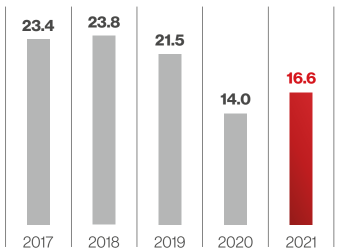
- Continued strong demand demonstrates success of digitisation strategy
- Renewed strategic focus on large and growing Governance, Risk and Compliance (GRC) and Regulatory Compliance markets
- Portfolio of Group businesses reorganised into two divisions: Information & Data and Training & Education, reflecting broad range of complementary GRC solutions
- Operational focus on clearly defined pillars of growth: simplified structure, leadership and people, data and technology, product, and sales and marketing
- Performed ESG materiality assessment in H2, developed roadmap for FY22 progress, and early adopted TCFD

Headlines continued

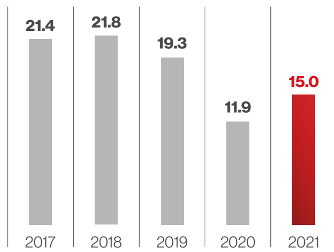
Revenues for the year £'m
£113.0m
Flat



Adjusted EBITA[2] £'m
£16.6m
+18.7%



Adjusted profit before tax[2] £'m
£15.0m
+27%

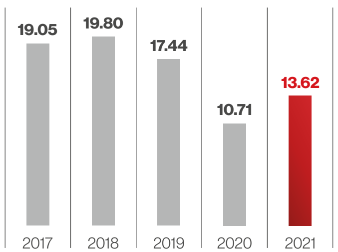


Organic[1] revenue growth %
3%
2020: down 8%

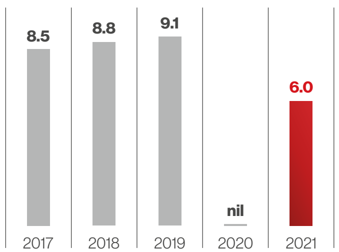
Adjusted profit before tax margin %
13.3%
2020: 10.5%

(Loss)/profit before taxation £'m
£(2.0)m
2020: £6.4m

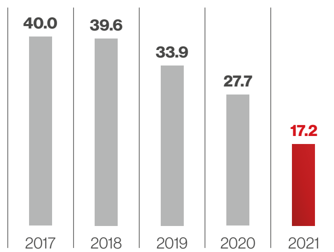
Adjusted earnings per share[3] p
13.62p
+ 27%



Total dividends p
6.0p



Group net debt (excluding lease liabilities) £'m
£17.2m



Basic (loss)/earnings per share p
(5.18)p
2020: 5.33p

Final dividend p
3.9p
2020: nil

Strong cash conversion[4] at %
104%
2020: 189%

1 Organic – eliminating the effects of exchange rate fluctuations and the impact of acquisitions and disposals.

2 Adjusted profit before tax and Adjusted EBITA – see note 2.

3 Adjusted earnings per share – see note 9.

4 Cash conversion – see note 29.

At a glance

Innovative solutions in the growing GRC market

Wilmington is a scalable portfolio in the growing Governance, Risk and Compliance ('GRC') market. We provide regulatory compliance solutions to enterprise customers and professionals. Our dynamic portfolio provides our customers with the benefit of a complementary range of information, data, training and education solutions, all under one roof.

Wilmington helps customers to understand and evaluate the ever-changing regulatory landscape, and supports them to respond to emerging areas of risk and the evolving role of compliance. Customers in compliance departments, and professionals from a broad range of industries, can come to Wilmington not only for information and data on the regulations that affect them, but also for complementary training that helps them to embed a culture of business conduct that is compliant with those regulations.

Our solutions are focussed on real-world outcomes and are based on significant and defendable intellectual property built up over many years. Our teams of experienced industry practitioners and talented subject matter experts are central to our unique offering. We are proud to be recognised by our customers as a trusted and valued partner as we help them navigate their own business challenges.

Wilmington is a digital-first business with strong capabilities in online and hybrid learning, and in the management and provision of mission-critical information and data through world-class delivery platforms. The strength of our portfolio is underpinned by an operating model which allows our individual businesses to leverage the combined value of the Group's core platforms and our focus on four key areas of operational excellence.

Revenue can be analysed by geography as follows:

Total Revenue

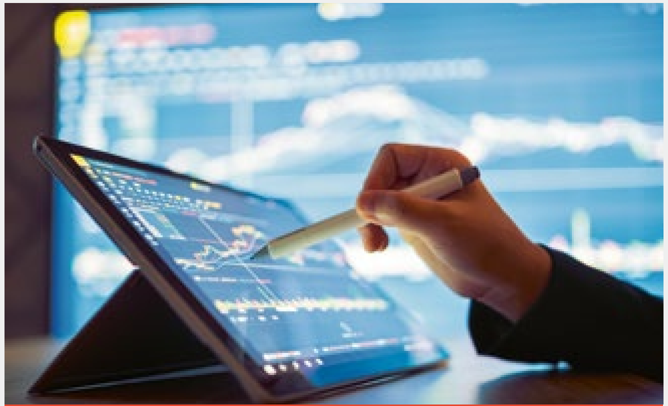
% of Group revenue	2021	2020
UK	**55%**	58%
Europe (excluding the UK)	**21%**	19%
North America	**13%**	16%
Rest of the World	**11%**	7%

The products Wilmington's two division offer focus on three main sub-categories of Governance, Risk and Compliance:

At a glance continued

Providing a complementary range of solutions, all under one roof

Our simplified operating structure is reflected in our two new reporting divisions



Information & Data

Wilmington's Information & Data division consists of businesses which provide must-have, authoritative risk and compliance data to a range of industries globally, including insurance, pensions and healthcare. Our information and data represent the gold standard in accuracy and timeliness, and this capability is enhanced by the expertise of our research analysts and industry practitioners, to ensure that we provide actionable insight to customers. Much of our data is developed by our own teams, and we own the associated intellectual property.

Information & Data revenue

£56.8m

50% of Group revenue

Read more on **page 19**

Training & Education

This division provides compliance training and technical support for customers across a range of industries including financial services, accountancy and healthcare. We offer a wide product range, including formal qualifications, continuing education and mandatory training, through instructor-led and self-guided formats. Our excellence in this area is underpinned by world-class and engaging course content, developed in house by our team of experienced subject matter experts, and enhanced by Wilmington's digital subscription management and delivery platform.

Training & Education revenue

£56.2m

50% of Group revenue

Read more on **page 20**

Chair's statement

Demonstrating the value of our diversified portfolio

I am pleased to present the Annual Report for the year ended 30 June 2021. We made good progress in the year, demonstrating the value of our diversified portfolio and digital-first strategy while we continue to adapt to the impact of Covid-19.

Despite a full twelve months of Covid-19 restrictions we traded strongly in FY21 and delivered revenues unchanged on FY20, despite four months of disruption at the beginning of the pandemic causing an 8% decline in revenues year-on-year. In FY21 organic revenue growth was achieved by our information and data products, and within our training products revenues only decreased in our face-to-face businesses.

Adjusted profits at all levels were up, reflecting a continuous focus on costs and improved margins achieved through the move to virtual solutions. Strong trading combined with a focus on working capital management, and a small product disposal, enabled us to greatly reduce our net debt position (excluding lease liabilities) to £17.2m as at 30 June 2021, £10.5m better than 30 June 2020. As a result, we honoured our commitment to reinstate the dividend and repaid all amounts received from the UK government's furlough scheme relating to this financial year.

> "I would like to thank all our employees for their continued commitment and resilience in these unprecedented times.

In June 2021 we announced a new group structure and operating model to increasingly focus the business on the resilient and growing GRC and Regulatory Compliance markets. We report here for the first time our new divisions: Information & Data and Training & Education, which reflect the broad range of complementary products and solutions we offer to our customers. In last year's report, I outlined our key areas of strategic focus: organic revenue growth, investing in our business and managing our portfolio. Despite the pandemic, we made good progress in all these areas so that we continue to realise the benefit of recent investments.

Derek Carter and Nathalie Schwarz stood down from the Board at the conclusion of the AGM on 4 November 2020 after completing their full nine year terms as Independent Non-Executive Directors. I would like to thank them for their outstanding contributions to Wilmington. Nathalie was replaced as Chair of the Remuneration Committee by Helen Sachdev. Paul Dollman, the current Chair of the Audit Committee, has assumed the role of Senior Independent Director. In February 2021 I was delighted to welcome William Macpherson to the Board as Non-Executive Director, the director responsible for worker representation and Chair of the Nominations Committee. William has a strong commercial background in the professional education sector and is providing valuable counsel to the Group.

Most importantly, I would like to thank all our employees for their continued commitment and resilience in these testing and difficult times. Throughout the crisis we have been, and will continue to be, guided first and foremost by the need to protect the health and wellbeing of our employees while remaining focussed on serving our customers to the highest standards.

Martin Morgan
Chair
17 September 2021

Chief Executive's review

Embedding strong digital capabilities

I am pleased to present my report on the year ended 30 June 2021, in which our diversified portfolio has continued to demonstrate agility and resilience in the face of ongoing disruption caused by the pandemic. The work done over the last twelve months, to refine our digital-first model and to focus the business on the GRC and Regulatory Compliance markets, allows us to look back on FY21 as a period of positive change.

Digitisation driving results

Following the rapid acceleration of our digitisation strategy in the year to June 2020, throughout FY21 we have concentrated on further refining and embedding our strong digital capabilities across the business. This work reflects our ambition to create a fully digital enterprise whilst retaining the flexibility to offer our customers face-to-face and hybrid solutions according to their needs.

Our financial performance demonstrates that demand for our products remains strong, and that our ability to respond to our customers' needs continues to cement our position as their trusted partner when navigating the complexity of the Regulatory Compliance landscape.

Reported Group revenue was flat, but up 3% on an organic basis. This result reflects solid uptake of our core information and data products, strong conversion of new sales opportunities in ICA Singapore, and high demand driving double-digit revenue growth in the legal sector businesses. Growth in these areas was partly offset by the anticipated reduction in face-to-face training and event revenues caused by Covid-19 related restrictions.

A continued focus on cost management and further efficiencies realised through the conversion to digital resulted in adjusted profit before tax (PBT) growth of 27% to £15.0m (2020: £11.9m) and a corresponding improvement in adjusted PBT margin to 13.3% (2020: 10.5%). This resulted in adjusted basic earnings per share being up 27%. We also are proposing a final dividend of 3.9p (total of 6.0p). The Group's net debt (excluding lease liabilities) was sharply down at £17.2m (2020: £27.7m).

Strategy

We announced in June 2021 that our strategic focus will be centred on building upon our already strong presence in the large, growing and rapidly evolving GRC and Regulatory Compliance markets. These markets are the intent of and actions undertaken by organisations, entities and individuals to both understand and align their activities and ethics with the relevant legal, policy and regulatory frameworks within which they operate.

These markets are underpinned by strong macro drivers, particularly the increasing volume and enforcement of regulation, complex geopolitical landscape, increased importance of ESG and widespread adoption of technological and data-driven compliance solutions, all of which align strongly to Wilmington's core offering.

At the heart of this focus on GRC and Regulatory Compliance markets is our ambition to help our customers to do the right business in the right way, by providing a complementary range of information & data and training & education solutions. We continue to develop new products, identify clear organic growth opportunities and consider acquisition targets which complement and/or extend our capabilities.

Current trading and outlook

We have strong foundations with our leading brands which have shown notable resilience during the pandemic whilst our large markets are seeing strong growth. We have made the switch to a digital first business with the capability to offer face-to-face and hybrid solutions and have invested in our data capabilities and new product development. We also have a simplified structure and an operational focus on execution excellence.

Trading in the first two months of the year has been encouraging, with both revenue and profits in line with expectation.

Operational excellence

In order to execute our strategy, we reorganised our portfolio into two divisions: Information & Data and Training & Education. This simplified structure clusters our businesses to drive synergies and provides a scalable platform for acquisitions and strong integration capabilities.

As previously announced, we are actively managing the portfolio by assessing the potential of each business to contribute to the delivery of our strategic objectives over the long term. Consequently, CLT England was closed down in August 2020 and the CLT Scotland business sold. Two product lines, one in the UK Healthcare business, and the other a pension fund product were withdrawn.

Our Information & Data division is addressing the $1bn regulatory intelligence market. The key drivers are the increased importance of independent, authoritative and actionable intelligence; increased investment in technology to solve regulatory compliance challenges; and disruptive technologies that create opportunities and threats.

Our Training & Education division is addressing the $4bn compliance training market. The key drivers are the shift from insourced to outsourced training; the shift from face-to-face to digital and blended training; increased demand for continuous learning and micro-learning; and increased focus on ROI through personalised learning experiences and outcomes-based programmes.

Chief Executive's review continued

"Demand for our products remains strong, as we continue to cement our position as a trusted partner when navigating the complexity of the Regulatory Compliance landscape.

Operational excellence continued

Our strategy is executed via our clearly defined pillars of growth: our simplified structure and key drivers of operational excellence: Leadership and people, data and technology, product, and sales and marketing. We have made progress in all areas in the year.

Our work to embed a positive culture and high employee engagement reflected a focus on Learning and Development and Diversity and Inclusion, whilst we remained committed to enhancing employee experience by delivering a responsive portfolio of wellbeing resources and a broad range of personal development opportunities.

We delivered against our objective to roll out the first phase of the Wilmington Sales Academy and made significant progress enhancing the sales KPI analysis capabilities which are informing our future development in this area. We also started work to embed an improved approach to sales packaging and pricing, which is strongly aligned to our focus on developing consistent and sustainable revenue streams to support long term growth.

Our sales and marketing function has become de-centralised and so much closer to our end-user markets. We have instilled a KPI driven sales culture and as highlighted above have a focus on learning and development. We are also using technology more effectively and are optimising our product pricing and packaging.

The progress we made to drive excellence in product management reflects our commitment to embed a customer-led approach, and throughout the year we engaged closely with our customers as they adapted to changes brought about by the pandemic. This was complemented by our continued investment in strong digital and data capabilities to deliver a dynamic and innovative portfolio of solutions.

We launched the Wilmington Product Academy, specifically designed to build a strong and consistent skills base that will propel our success in this area. We retain a strong focus on development methodologies using minimum viable products (MVPs), iterative roll outs, and insights gained from data generated from our existing processes. The Product Academy also supports our plans to further leverage the success of recently launched products such as the digital learning hub, by informing the development of similar solutions in other parts of the businesses to generate synergistic value across the portfolio.

Responsible business

As we continue to help our customers to do the right business in the right way, we are also committed to holding ourselves accountable and demonstrating the highest standards of responsible business practice.

We have now implemented the actions outlined in the ESG roadmap set in February 2021, which included performing a materiality assessment and defining the agenda for the future. By assessing the key issues that impact our stakeholders, the materiality assessment process led to the refinement of our ESG strategy and concluded that four strategic pillars will drive our progress for the next phase of work. These four pillars, their core objectives and the way that they support our commitment to operational excellence, are outlined in the Sustainability report on page 21.

We have established a governance framework around our ESG initiatives, providing sponsorship for each pillar of the strategy from a member of the Executive Committee and oversight from the Board. The executive sponsors will support internal working groups as they implement improvement initiatives to ensure that continued and consistent progress is made to meet the core objectives. The work planned for FY22 includes a focus on refining our approach to data collection, to facilitate effective measurement of outputs and to ensure that we set sufficiently challenging targets to drive long term improvements.

In recognition of the rapidly evolving climate crisis, we have early adopted TCFD and have accelerated our own work to address climate change by committing to carbon neutrality in FY22, with a further commitment to establish a roadmap for action to subsequently become a net zero carbon business.

Mark Milner
Chief Executive Officer
17 September 2021

Case study

Celebrating our people

Since the onset of the Covid-19 pandemic, our talented and dedicated employees have innovated quickly and adapted brilliantly to transform our products and serve our customers seamlessly, all while working from home. Their response to the challenges we have faced has demonstrated that this adaptability, creativity, and motivation is critical to the Group's success. We are dedicated to mirroring their commitment to the business, by promoting a positive culture that supports all our people to develop, achieve their full potential, and enjoy their time at work. Throughout the pandemic, we have remained focussed on supporting our employees in many ways to help them navigate this period of significant change.

Maintaining positive engagement and supporting strong intra-group connections

Engaging with our people

We believe that our people should have the opportunity to communicate directly with the Senior Leadership Team, and we encourage meaningful conversations and challenge at all levels. This engagement has been a key priority during the pandemic, given the limited face-to-face contact we have had due to ongoing restrictions.

- Quarterly town halls
- 'Meet the CEO' virtual group events to communicate strategic updates
- Annual employee engagement survey and touchpoint 'pulse'

Supporting strong intra-group connections

Whilst we have a diverse portfolio, we generate unique value from sharing successes and information within the business. During the period of remote working, we made sure our employees stayed connected with each other to maintain strong relationships for collaborative working.

- 'Virtual coffee' events to connect groups of employees in different locations
- Launched virtual networking site and communication channels
- Wilmington 'Spotlight' articles highlighting a variety of roles around the business

Preparing for new ways of working

Our priority throughout the pandemic has been to protect the health and wellbeing of our people, and therefore we have carefully considered plans for adapting the way we work in the future.

Listening to our people

We formed a dedicated Return to the Office 'RTO' working group to gain insight into issues that would impact our return to the office when appropriate to do so and made sure every employee was represented via group membership.

Safety first

The RTO group worked closely with the facilities team to ensure that strict safety protocols were in place at all sites, to comply with distancing requirements and ensure workplaces were safe for our people to return to work.

Modern working environments

We have continued to invest in modern working spaces, conducive to collaboration and creativity, that will serve us well in the future. We opened our brand-new Fort Dunlop office, which is also home to our first virtual classroom.

Prioritising wellbeing

As part of our commitment to wellbeing, we hosted a range of events throughout, as shown in the timeline below:

- Live: staying active whilst working from home sessions
- Live: virtual meditation & yoga sessions
- Emotional intelligence podcast series
- Mental health awareness week webinar series
- Living with lockdown virtual event
- Wellbeing for working parents webinar
- Prevent pandemic burnout webinar
- Stress awareness month video campaign
- Wellbeing webinar portfolio update

Business model

Leveraging our strengths to create stakeholder value

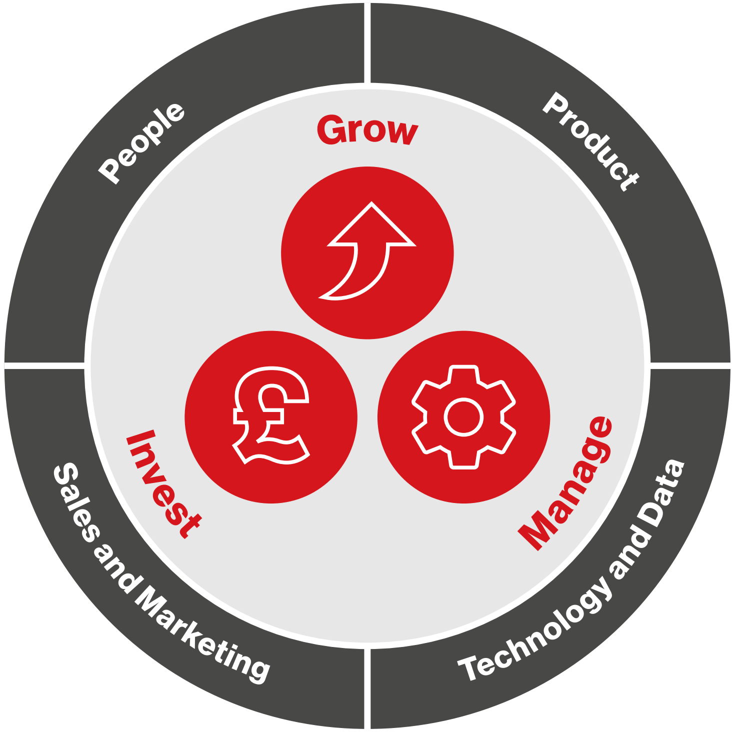
Wilmington represents a diverse and innovative portfolio of assets which are recognised as leaders in their own fields and which are linked by a common purpose. The Group's combined expertise in data, information, training and education creates synergies that allow us to deliver a superior customer experience at an individual business level. In addition, each business benefits from Wilmington's focus on operational excellence in the four key areas that drive profitable organic growth, namely: Product management, technology and data, people and sales and marketing.

As we strive to achieve sustainable business growth, these four areas of operational excellence provide the mechanisms we need to drive progress against our three integrated strategic objectives.

Read more on **page 13**

Wilmington characteristics: embedding core competencies

Read more on **page 12**



Read more on **page 13**

Stakeholder value creation

Read more on **page 16**

Business model continued

Wilmington characteristics:

what makes us unique

Our operating model is further strengthened by the way that we draw on our core competencies to embed a set of defining characteristics into all of our businesses. It is these core competencies, exhibited as unique Wilmington characteristics, that in combination form a crucial element of our competitive advantage.

Digital capabilities

As a fully digital enterprise, we demonstrate best in class digital capabilities including:

- Delivery platform agnostic
- Multi-device enabled
- Excellence in User Experience ('UX') and User Interface ('UI') solutions
- Digital front and back office

Data enabled

Our businesses are data enabled, allowing them to provide unique insight and innovative solutions to their customers, driven by:

- Unique methods of data collection, measurement, integration and analysis, supported by dynamic user interfaces
- Proprietary data and bespoke services

Differentiated offering

Our businesses occupy strong positions in the markets they serve, exhibited via the following credentials:

- Market leaders – within the top three
- Unique products with owned IP
- Strong brands valued highly by customers

Attractive markets

The markets in which we operate present opportunities for sustained growth:

- Macro fit with Wilmington's core markets
- Micro fit with a growing end-user base in which our solutions are integrated into customer systems

Strong product and revenue model

Our product and revenue model drives value by targeting the following actions:

- Identifying attractive economics
- Prioritising repeatable revenue streams
- Leveraging success across the portfolio to maximise the benefit of synergistic potential

Strong leadership

Our businesses are led by individuals who are best placed to accelerate their growth, evidenced by their core competencies:

- Experts in their field, aligning sector specific knowledge to product development and delivery
- Innovators seeking to embrace change to deliver bespoke customer solutions

Strategy

Driving strategic progress
through operational excellence

Wilmington represents a diverse and innovative portfolio of assets which are recognised as leaders in their own fields and which are linked by a common purpose. The Group's combined expertise in data, information, training and education creates synergies that allow us to deliver a superior customer experience at an individual business level. In addition, each business benefits from Wilmington's focus on operational excellence in the four key areas that drive profitable organic growth, namely: Product management, technology and data, leadership and people and sales and marketing.

As we strive to achieve sustainable business growth, these four areas of operational excellence provide the mechanisms we need to drive progress against our three integrated strategic objectives.

Operational excellence

Product management
As we continue to enhance our product portfolio, we adhere to clear internal guidelines to achieve best practice. By applying an integrated approach to assessing product viability, our product requirement processes allow us to identify clear opportunities for investment.

Technology and data
The innovation within our businesses is enabled by strong technology and data capabilities. Our investment in technology transformation demonstrates our commitment to a robust foundation for product growth and development.

Sales and marketing
The execution of dynamic sales and marketing strategies are essential to ensure that we realise the full potential of our product portfolio. Excellence in this area is demonstrated by strong leadership and a proactive sales culture, complemented by a focus on insightful KPI analysis.

Leadership and people
The creativity, adaptability and dedication of our people is critical to our success. To continue to drive operational excellence in this area we are committed to developing our people and championing diversity at all levels within our workforce.

Our strategy: three integrated objectives

Grow
Generate organic growth to maximise the potential of our portfolio

Manage
Manage our portfolio to ensure that all businesses exhibit the key 'Wilmington' characteristics per our value creation model

Invest
Invest in our businesses to facilitate new product development, provide innovative solutions to our customers, and fuel organic growth

The progress made against each area of operational excellence in FY21, and the areas of focus driving progress in FY22 have been outlined on **pages 14 and 15**

Strategy continued

Strategic progress in action

Product

Progress 2020–2021

- Developed and rolled out the Wilmington Product Academy
- Continued focus on best practice in New Product Development, with MVP and Customer Advisory Groups ('CAGs') input at their core
- Continued the digitisation programme with successful transition of programmes and customers from FTF to virtual, and expansion of offering through:
  - Online learning solutions
  - Blended learning
  - Microlearning
  - Modular learning
- Provided enhanced intelligence to our customers through innovative data products, dynamic analysis and agile solutions
- Developed front end service portals to assist with digital sign ups and enable effective customer contact points

Focus 2021–2022

- Further rollout of the Wilmington Product Academy to more employees involved in product development
- Further digitisation of our product offerings by expanding and building on our Digital Hub investment including:
  - Online learning solutions
  - eCommerce and Membership management
  - Mobile App development
  - Blended learning
  - Microlearning
  - Modular learning
- Strengthening of our engineering capability to support client centric product offerings
- Deployment of API connectors from our products to that of our clients
- Development of our data products to offer more data assets and capabilities through investment in our underlying data technologies including data storage and management, Artificial Intelligence and other best in class data technologies

Sales and Marketing

Progress 2020–2021

- Developed and rolled out the Wilmington Sales Academy
- Restructured away from centralised sales, with sales teams close to their markets
- Delivered organic growth in AsiaPac and Middle East
- Enhanced sales KPI analysis capabilities, driving individual and team performance
- Focussed on refining the approach to sales packages, pricing and 'high quality revenues'

Focus 2021–2022

- Next Gen Wilmington Sales Academy to be delivered throughout 2022
- Continued focus on KPI-driven sales performance
- Evolution of the packaging and pricing work started in FY21, with a particular focus on pricing around hybrid solutions
- Subscription businesses focussed on multi-year contracts
- Collaboration opportunities across marketing in T&E and I&D
- Investment in the continued development of digital marketing solutions

Strategy continued

Strategic progress in action continued

Technology and data

Progress 2020–2021

- Successfully deployed innovative client centric solutions:
  - Digital Hub phase 1 launched for ICA and Bond Solon
  - Implemented analytics solutions to measure eLearning effectiveness and customer engagement
  - Launched virtual classroom facility in our Fort Dunlop office
- Driven Data Science and Advanced Analytics activities improved business processes by maximising the potential of 'off the shelf' technologies:
  - Data and Analytics (Power BI and Tableau)
  - Marketing automation (Marketo)
  - Customer Relationship Management (Salesforce)
- Embedded agile approach: 2-week Sprints, providing the ability for iterative product roll-out and product management methodologies through the running of our new 'Product Academy'
- Re-negotiated our IT Services contract to deliver better services at a more effective price
- Agreed a group wide data strategy covering platforms, capabilities, and organisation structures

Focus 2021–2022

- Continue to expand the use of the Digital Hub to improve our client experience through a simplified and user centric approach:
  - New eCommerce, Membership management, and Subscription platforms
- Transform the Mercia business operation through technology simplification
  - Deploy the Digital Hub
  - Deploy a training management solution
  - Decommission legacy applications and business processes
- Continue to implement and embed the data strategy
  - Explore Artificial Intelligence and Machine Learning opportunities
- Improve business operation through system and process improvements in Finance, HR, Sales and Marketing

People

Progress 2020–2021

- Developed Diversity and Inclusion global network and invested in plans to drive improvement initiatives
- Continued to draw on employee engagement survey data to develop initiatives that enhance employee experience
- Prioritised staff wellbeing
  - Delivered Mental Health First Aider training programme
  - Rolled out remote working support initiatives
- Further enhanced catalogue of learning and development resources and bespoke learning solutions

Focus 2021–2022

- Focus on next phase of Sales, Leadership and Product management capability through targeted development programmes
- Develop group wide Diversity and Inclusion programmes within ESG framework to drive clear progress and embed new behaviours
- Continue to prioritise wellbeing and maintain related resources and networks
- Complete reward strategy and capability matrix review, and implement actions to ensure market alignment and transparency of pay
- Continue development of internal employee relations strategy
- Support the ongoing commitment to hybrid working arrangements to maintain high productivity and meet employee needs

Stakeholder engagement

Stakeholder *value creation*

Section 172 Companies Act 2006

The 2018 UK Corporate Governance Code highlights the importance of Section 172 of the Companies Act 2006, requiring Directors to act in a way that promotes the success of the Company for the benefit of shareholders whilst simultaneously showing regard for the interest of its other stakeholders.

In discharging their Section 172 duties, the Directors of the Group are required to have regard, among other matters, to the: likely consequences of any decisions in the long term; interests of the Company's employees; need to foster the Company's business relationships with suppliers, customers and others; impact of the Company's operations on the community and environment; desirability of the Company maintaining a reputation for high standards of business conduct; and need to act fairly between members of the Company.

The Board follows a robust decision-making process, which is designed to ensure that any decisions made consistently reflect Wilmington's culture of openness and transparency. The key reference points for decision making by the Board are: the impact on the Group's overall strategic objectives; the effect on its principal risks and uncertainties; and positive alignment with the core values underpinning the Group's sustainability strategy. At the heart of all of these factors is consideration of the Group's stakeholders, because it is these groups who have the most significant impact on creating positive outcomes for the Group as it strives to create long term value.

Further details on this process can be found in the corporate governance report on **pages 42 to 46**

Our people

How we engage

- Employee engagement surveys
- Global employee town halls
- Dynamic intranet information portal
- Bespoke performance development review process

Celebrating our people on **page 10**
Sustainability report on **pages 21 to 27**

Suppliers

How we engage

- Strong and accessible communication channels
- Clear policy guidelines on portfolio websites

Strategy **pages 13 to 15**

Shareholders

How we engage

- Investor roadshows
- Analyst briefing sessions
- AGM
- One-on-one engagements and conference calls

Corporate governance report on **pages 42 to 46**

Communities and the environment

How we engage

- Local charity support initiatives
- GHG reporting and improvement initiatives

Sustainability report on **pages 21 to 27**

Customers

How we engage

- Customer Advisory Groups ('CAGs')
- Strong and accessible communication channels
- Product feedback surveys

Strategy **pages 13 to 15**
Sustainability report on **pages 21 to 27**

Key performance indicators/operational measures

Measuring *performance*

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

Throughout the Annual Report there is reference to certain of the metrics set out below, which serve as alternative performance measures. Where adjusted measures are used in the report they are clearly presented and specifically used to provide a balanced view of the Group and its performance. The Directors believe that these measures can be useful to readers where they present relevant information on future or past performance and equivalent information cannot be sufficiently presented through the use of financial measures defined under IFRS.

At a divisional level we have a number of measures

The key performance indicators ('KPIs') maintained at a divisional level are specific to the performance of each business within the respective divisions. These KPIs form the framework for monitoring and assessing the ongoing performance of each business, and also drive the strategic planning process at a divisional level. Alongside these business-specific KPIs, we have also developed a series of Group-wide measures in key areas such as sales performance, to facilitate consistent analysis on a Group-wide basis. The strong focus on these bespoke measures allows us to rapidly identify adverse effects of challenges in specific markets and mitigate risks to secure organic revenue growth and further enhance the resilience of the portfolio.

Organic revenue growth

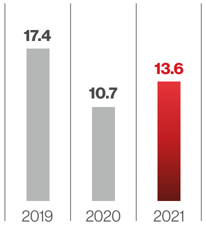
+3%

Organic revenue growth is calculated by adjusting the revenue change achieved year-on-year to exclude the impact of changes in foreign currency exchange rates and also to exclude the impact of changes in the portfolio from acquisitions and disposals. This measure is used as it gives a comparable assessment of the underlying growth of the business and of its sustainability. It also allows the Board to assess whether action is needed on other aspects of the Group such as the cost base. In the year to 30 June 2021 the organic revenue increased 3% (2020: reduction of 8%). Therefore organic revenue increased compared to the prior year, despite a full year impact of Covid-19 and the lack of face-to-face training or events.

Adjusted earnings per share p

13.62p

+27%



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

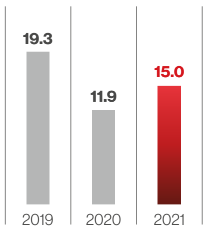
For the year ended 30 June 2021, adjusted earnings per share increased by 27% to 13.62p per share (2020: 10.71p). The increase reflects the increase in adjusted profit as discussed on the next page. The underlying tax rate and number of ordinary shares were essentially unchanged.

Key performance indicators/operational measures continued

Adjusted profit before tax £'m

£15.0m

+27%



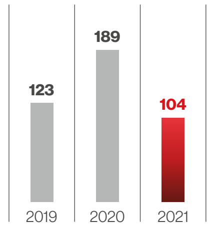
This measure presents trading profits of the Group before amortisation of intangible assets excluding computer software, other income (when it is material or of a significant nature), impairment of goodwill, intangible assets and property plant and equipment and adjusting items within operating expenses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

Each business unit in the Group is assessed (and in many cases bonuses are calculated) on adjusted EBITA and margins. These adjusted performances are aggregated to produce the Group adjusted EBITA, from which finance charges are then deducted to give adjusted profit before tax, which is one of the Executive Directors' bonus targets. We do not allocate the impairment of acquired goodwill or intangible assets, aborted or successful acquisition costs, material gains on disposals of fixed assets or the amortisation of acquired intangibles to our business units.

The Group policy on adjusting items and the calculation of adjusted PBT are set out respectively in notes 1 and 2 of the financial statements. In the year ended 30 June 2021, adjusted PBT increased by 27% to £15.0m (2020: £11.9m) owing to consistent year-on-year revenues and close management of costs.

Cash conversion %

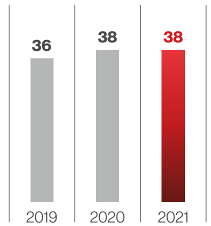
104%



Cash conversion represents the operating cash flow for the year as a percentage of adjusted operating profit before interest and amortisation. This measure is used as an indicator of successful stewardship of cash resources as well as corroboration of the quality of the operating profits compared to the associated cash flow. Cash conversion for the year ended 30 June 2021 was 104% (2020: 189%). Year-on-year comparison of the percentages has been impacted by the unusual movement in working capital during the year ended 30 June 2020, driven by delayed payments of UK VAT and payroll tax of £5.7m. These delayed payments to HMRC unwound during the year ended 30 June 2021 and cash conversion returned to usual levels, resulting in a strong balance sheet and significant headroom in respect of its banking facilities.

Subscription and membership revenue as a percentage of total revenue %

38%



The Group continues to focus on a portfolio of assets based in key professional markets, facilitated by excellence in technology and data and dynamic sales and marketing. The Group's ambition to secure healthy revenue streams has resulted in the development of a dynamic product portfolio, often sold on annual subscription, which includes:

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

Subscription and membership revenue accounted for 38% (2020: 38%) of Group revenue with the balance a mixture of revenue from annual events (albeit lower this year due to the inability to run face-to-face events during the pandemic) and revenue from customers who have a history of repeat purchase although not necessarily supported by formal multi-year contracts. The renewal rate from this subscription and membership revenue for the year ended 30 June 2021 is at a robust 92%, proving Wilmington's strength of products and customer satisfaction.

Review of operations

Information & Data

	2021 £'m	2020 £'m	Absolute variance %	Organic variance %
Revenue				
Healthcare	**28.9**	27.9	4%	3%
Financial Services & Other	**21.3**	21.7	-2%	0%
Identity & Charities	**6.6**	7.0	-6%	-5%
Total Revenue	**56.8**	56.6	1%	1%
Operating Profit	**9.3**	11.1	-16%	-13%
Margin %	**16%**	20%		

"Overall Information & Data revenues grew 1% in the year, despite the restrictions on face-to-face events.

Business model and market

Wilmington offers a wide range of products and services through its Healthcare businesses predominantly around the provision of market and customer intelligence. The core of the data supplied comes primarily from publicly available sources. The value generated by our services is based around its collation, verification, combination with other complementary data sources and then its ease of presentation and usage. In some areas we provide proprietary analysis of the data and editorial comment which constitutes our own intellectual property.

Wilmington's Healthcare businesses operate mainly in the UK and France and provide deep insight information on practitioners, facilities and treatments in the UK and French health sector markets that enable suppliers into those markets, including pharmaceutical companies, to understand and connect better with their customers. Revenue is mainly earned through sales of discrete packages of data or through subscription services for the ongoing provision of information. Additionally, in the UK we publish the Health Service Journal ('HSJ'), the leading online publication in the UK for healthcare leaders, with revenue generated through providing subscriptions to NHS foundation trusts, Clinical Commissioning Groups and suppliers to the NHS.

The Financial Services/Other businesses operate in the Insurance, Pensions and Compliance markets. These businesses provide a broad range of information products and services with revenues generated primarily through subscription but also sponsorship, lead generation and event attendance.

The Identity & Charities business consists of a portfolio of data products including charity fund-raising information, and marketing data suppression tools. They include services that are used by organisations to help prevent identify fraud. Revenue is predominantly subscription based. We sold a pension fund product line in this part of the business during the year.

Trading performance

Overall Information & Data revenues grew 1% in the year, although this overall rate masks some more significant movements in the underlying businesses.

Healthcare revenues grew 3% organically in the year despite a significant drop in UK events revenues because no face-to-face events took place. Non-events revenues grew 7% in the period with UK revenues up 10% and French revenues up 7%. We closed a product line during the year (that sold a suite of online learning courses that familiarise UK industry participants with the complexities of the National Health Service) as it was loss-making and we outsourced part of the UK operations to improve future profits.

Financial Services revenues were flat organically (removing the effect of currency) with growth in Axco, Pendragon and Compliance Week offset by a decline in Inese revenues due to the lack of face-to-face events in Spain. We announced last year that we were seeking buyers for the Inese business, but this process was delayed due to Covid-19 restrictions and we will resume the process in coming months.

Identity & Charities revenues were down 6%. We have restructured this set of products just before the year end, selling one product line and closing two others to focus the business on areas we believe can grow in the future and to reduce its cost base. The slimmed-down business will now focus on identity revenues and a small line of revenue in the charity sector.

Information & Data divisional operating profit was down on the previous year despite the flat revenue performance as we took restructuring measures (closing product lines and outsourcing some costs) to improve revenues and profits going forward. The cost of these changes has been taken as part of normal operations.

Review of operations continued

Training & Education

	2021 £'m	2020 £'m	Absolute variance %	Organic variance %
Revenue				
Global	**29.2**	25.8	13%	16%
UK & Ireland	**22.1**	24.6	-10%	0%
North America	**4.9**	6.1	-20%	-15%
Total Revenue	**56.2**	56.5	-1%	6%
Operating Profit	**12.2**	7.9	54%	65%
Margin %	**22%**	14%		

Business model and market

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

Revenue earned by ICA is primarily training income complemented by subscriptions paid by the professional members for their ICA accreditations. The courses ICA run usually extend over several weeks or even months. They traditionally mix distance learning with face-to-face sessions. The distance learning element has transitioned to online and digital variants, and virtual programmes have been offered in place of face-to-face sessions. To support the move to virtual training in ICA a new digital learning platform ('hub') is being built – it was launched at the start of 2021 and further developments are due for release in the coming months.

ICA primarily serves the financial services industry. The material for ICA courses is developed by our own internal R&D team, and external specialists, and we own the associated intellectual property.

The other Global businesses earn revenue from running professional development programmes for wealth managers and training for professionals joining the investment banking industry. Wilmington has an international presence, with centres in UK, Europe, North America and Asia Pacific and consistent investment in technology maintains the Group's competitive positioning.

The North America business is predominantly events based. They serve the US healthcare/health insurance markets and, to a lesser extent, the US financial and legal service communities. The prime brand is the RISE series of events that address the Medicare and Medicaid markets and is attended by health plans, physician groups and solution partners. The flagship event is RISE National which normally takes place in Nashville in March each year, although it ran online in FY21. Revenue from the US events is generated from both sponsorship and delegate sales.

The UK and Ireland division predominantly provides training for accountants in practice and in business and individuals involved in the legal system, including lawyers. It runs a mix of face-to-face, online and blended learning for these communities. It provides training at various levels including providing continuing professional development for existing qualified accountants and, in the case of the legal profession, helping them train their clients for interaction with the legal system. Additionally, it provides technical support to accountancy firms which enables them to keep abreast of technical developments and changes to regulation, as well as supporting them to promote the services they then offer to their clients.

The Accountancy and Legal businesses are predominantly UK and Ireland based, reflecting the country specific laws and accounting standards that govern their profession. Revenue in the unit is earned through clients subscribing for ongoing training support and other related activities over a period of time (usually twelve months), with the rest through one-off course attendance fees. Courses are typically single or half day events, and content is a mix of owned and third-party intellectual property. Courses are delivered either by in-house experts or by a network of independent tutors who are paid per course that they deliver.

Before the impact of Covid-19, the Accountancy market was growing, although this was somewhat offset by the continued consolidation of smaller firms, some Brexit uncertainty and a relatively stable backdrop in terms of tax legislation and accounting standards. In contrast the Law for Non-Lawyers market was strong with good demand for existing products as well as successful launches of new training courses. Wilmington exited the CPD training market for lawyers in FY21 when it sold its Central Law Training (CLT) business in Scotland and closed the CLT business in England.

Trading performance

Training & Education revenues grew organically by 6% in the year, representing a significant improvement in the second half as revenues were down 12% in the first half of the year.

ICA revenues were 21% up on FY20 due mainly to very strong growth in Singapore where government funding for compliance training, the rapid adaptation of our services to ensure compliance with government requirements, and a restructuring of our operations, led to a doubling of revenues. AMT saw strong growth in FY21 of 19%, with all its courses being delivered virtually and benefitting from strong demand from its blue-chip customer base. CLTi had a slower year as demand for its international courses dropped during the pandemic.

The legal sector businesses in the UK and Ireland (Bond Solon and LaTouche) saw double-digit growth in FY21, driven by a strong return of demand particularly in the last quarter of the year. Accountancy revenues also had a strong second half and reduced the deficit on FY20 seen in H1 to end the year 9% down on FY20. CLT revenues were £0.6m in the year (2020: £2.9m) up to the closure of CLT England in August 2020 and the sale of CLT Scotland in December 2020.

In the US, FRA revenues ended the year 15% down on FY20. They were more than 50% down at the half year but a strong digital performance in H2 as well as a return to face-to-face and hybrid events in June 2021 gives the business a strong platform to return to growth provided that face-to-face events continue in the US in FY22.

Overall divisional operating profit increased strongly by 54% on FY20, mainly due to cost efficiencies realised through the lack of face-to-face training (lower venue hire, external tutor and travel costs). The increase also reflects the impact of the closure of CLT, which was loss making in the prior year. As a result, the operating profit margin rose to 22% from 14% in FY20.

Sustainability report

Responsible business: *our commitment*

Wilmington exists to empower its customers to do the right business in the right way. At the heart of this commitment to customers is our own ambition to embed a responsible business culture that informs the way we work. Whilst this ambition represents a long-standing commitment, the significant changes experienced over the last 18 months highlighted the need to refine our approach to sustainability so that the work we do delivers greater value to all our stakeholders.

Materiality analysis

Sustainable business growth is a key component of our strategy, and therefore the priority when refining our approach to ESG was to ensure that it was strongly aligned to our broader strategic objectives. During the year we performed a materiality assessment to identify the key issues that will inform our work in this area and used these to build a corresponding framework to drive progress going forward.

By taking a holistic approach to materiality, we considered a wide range of factors to develop a bespoke sustainability framework for Wilmington.

Factor	Relevance when identifying material issues
Stakeholder engagement	We strive to create long term value for all our stakeholders, and positive engagement is central to this as detailed in our Section 172 statement on page 16. The core objective of our materiality analysis was to ensure that our sustainability initiatives are aligned to the interests of our key stakeholders. The materiality assessment process included reference to customer insight, employee engagement survey feedback, consideration of industry and peer group trends, a third party led workshop with senior leaders, and Board participation with reference to shareholders' objectives and values.
Operating model	The success of our business is underpinned by our dynamic operating model, which focusses on operational excellence in four key areas as discussed on pages 13 to 15. The materiality analysis performed helped us to develop a sustainability framework that is closely aligned to these four areas. The core values defining each pillar of the strategy will support the business processes that help us to achieve operational excellence, as shown in the strategy summary below.
Risks	The sustainability initiatives we implement will play a valuable role in supporting the actions we take to mitigate our principal risks. Within our risk review, we have mapped each pillar of our sustainability strategy to the risks they help to mitigate.
Global change and influence	We recognise that we operate in an increasingly complex socio-economic environment, and that global challenges such as the Covid-19 pandemic, and the climate crisis, have the potential to significantly impact our key stakeholders. We therefore recognise that we have a role to play in making a positive contribution towards overcoming global issues. Accordingly we have given consideration to how our approach to address material issues aligns to efforts to advance the sustainable development goals.

The conclusion of our materiality assessment was that Wilmington's responsible business culture reflects a set of four core values, each of which underpins a pillar of our sustainability strategy framework. A summary of the strategy is set out below.

Core value and strategic pillar	Cultural positivity	Customer empowerment	Proactive assurance	Environmental responsibility
Core objective	Create equal opportunities and nurture talent in a safe and mindful environment.	Deliver products that are accessible, high value, up to date and move with industry trends.	Uphold high standards related to digital protection, regulatory requirements, ethics & production.	Reduce environmental impact by minimising carbon footprint and committing to responsible procurement.
Supporting operational excellence: • People • Product • Sales & Marketing • Technology & Data	Fostering a positive culture will enhance employee experience and allow our **people** to perform highly as they continue to drive progress against our strategic objectives.	Empowering our customers ensures our **products** are aligned to their needs, and that our **sales and marketing** strategies effectively convey high product value.	Responsible digitisation and ethical conduct are fundamental to our **data and technology** strategies as we innovate to deliver the best-in-class digital **products**.	Committing to environmental responsibility protects the future of our **people** and demonstrates to customers that we strive to deliver **products** with minimal environmental impact.

As we continue to develop our approach and drive progress against the core objectives of each pillar, a governance framework has been established to ensure we maintain accountability and benefit from engagement across the business.

Core value and strategic pillar	Cultural positivity	Customer empowerment	Proactive assurance	Environmental responsibility
Board oversight	Chair			
Executive sponsor	Chief People Officer	Chief Executive Officer	Chief Technology Officer	Chief Financial Officer
Strategic lead	Group Finance and Sustainability Director			
Taskforce	Dedicated working groups with portfolio business and shared service representation			

The ongoing work to drive progress against the core objective of each pillar is discussed on pages 14 and 15.

Sustainability report continued

Cultural positivity

The adaptability, creativity and motivation of our people is critical to the Group's success. We are therefore committed to promoting a positive culture that creates equal opportunities and nurtures talent in a safe and mindful environment. Classifying this core value as an underlying pillar of our sustainability strategy was informed by three areas of focus identified as part of our materiality assessment, being Health & Wellbeing, Training & Development, and Diversity & Inclusion.

Health & Wellbeing

We believe that health and wellbeing initiatives are a core component in achieving the full potential of our people. When our employees are healthy, happy, and motivated we know that they are best placed to achieve positive outcomes and to drive the innovation, creativity and dedication that fuels sustainable business growth.

Throughout the year we placed significant emphasis on maintaining a high level of support for our employees globally, as they continued to face challenges brought about by the Covid-19 pandemic. We have a permanent resource bank to support good health and wellbeing, which is supplemented on an ongoing basis with topical events and initiatives to provide ongoing assistance to our people. Further details of the supplementary resources we have provided in this area during the year are detailed in our people report on page 10.

Wellbeing resources available to our people:

Global employee assistance programme	A programme designed to offer the following benefits to every employee across the Group: • Local telephone helplines providing expert led support 24 hours a day, 365 days a year in local languages • Access to psychologists and counsellors who can support in areas such as family and relationship problems, stress, work issues, emotional distress, major life events, healthcare concerns, and financial and legal concerns • Up to six sessions of scheduled counselling delivered via video/phone • Provision of these services for employees and their immediate family members
Digital GP	This service provides UK employees with 24/7 access to digital medical services, making it easier than ever for our people to look after their health. The flexibility it offers means it can be used on the go at any time, encouraging individuals to prioritise their wellbeing in a way that fits around their existing commitments.
Mental Health Support	Our Mental Health First Aider programme delivers training to ensure every business or function within the portfolio is supported by a qualified individual. This training, along with our mental health awareness initiatives, are designed to equip individuals across all parts of our business with skills to support those struggling with mental health challenges.

Training & Development

We seek to echo the ambition of our training businesses within our own workforce, by looking for new and engaging ways to develop individuals and teams. As outlined in our strategy, we recognise the need for continued development and upskilling of our teams in order to drive progress against our four areas of operational excellence. Our key commitments to training and development demonstrated in FY21 are outlined below.

Commitment	Resources and delivery
Promoting strong leadership	• Bespoke managers training programme • 'Managers' Toolkit' – dedicated intranet site providing resources to help managers navigate the challenges of supporting their teams • 'Leaders lounge' – intranet site designed to guide managers through business change
Sales and Product Academies	Launched the Wilmington product academy and rolled out the Wilmington Sales academy in FY21, upskilling our sales and product teams to deliver excellence in these areas.
Apprenticeships	We continue to invest in new talent through our apprenticeships in a wide range of disciplines, reflecting our commitment to establish a diverse and sustainable workforce across our locations.
Mentorship & coaching programme	Our mentorship programme matches individuals with a mentor whose skillset and experience is relevant and specific to their own developmental aspirations. We also run training webinars to assist managers to develop their own coaching and feedback skills.
Key skills development opportunities	We have a dedicated catalogue of resources to facilitate the provision of key skills training to all employees across the business, available to all on our live intranet site.

Sustainability report continued

> The improvements made in this area during FY21 reflect the extensive work we have done to support our people during a period of significant change.

Cultural positivity continued

Diversity & Inclusion

We seek to employ a workforce that reflects the diversity of our customers and the communities we engage with. We also seek to create an environment in which every member of our workforce helps to foster a culture of equality, diversity and inclusion. As set out in our equal opportunities policy we are committed to ensuring that all of our workplaces are free from discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, sex and sexual orientation.

In the prior year, we committed to take decisive action to better understand this challenge within our business. The initial stage of this work was to form our Global Diversity & Inclusion Working Group, composed of representatives from all of our locations globally, with executive sponsorship from the Chief Executive Officer. By creating a diverse taskforce from within the business to gain greater insight and a platform for collective action, we hope that our work to drive improvements in this area will be more effective at embedding a truly inclusive culture across Wilmington. Further information on diversity is discussed in the corporate governance report on page 42.

The activities of the Working Group in year one began with a comprehensive training programme attended by all members, followed by a series of scoping exercises to understand issues specific to each of our portfolio businesses that have gone on to inform local action plans for driving change. Our next phase of progress will be co-ordinated by our newly appointed Head of Diversity & Inclusion, who will work with the Diversity & Inclusion Working Group to ensure that the business level action plans are effectively supported by a cohesive group-level strategy. This group strategy will include the identification of specific objectives that can help us to monitor the progress of the bespoke initiatives in a way that drives sustainable positive change.

Driving progress

As we continue to develop robust and consistent mechanisms for monitoring our progress in this area, we have used our employee engagement survey results to provide an initial baseline to measure future improvements across the three areas of focus.

Statement of cultural ambition	Area of focus	FY21 score	FY20 score
People from all backgrounds are treated fairly at Wilmington	Diversity & Inclusion	**8.4**	8.1
My manager or a mentor encourages and supports my development	Training & Development	**7.7**	7.4
Wilmington really cares about my mental wellbeing	Health & Wellbeing	**7.8**	6.3

The improvements made across all three areas during FY21 reflect the extensive work we have done to support our people during a period of significant change. We are committed to maintaining or improving our score against these cultural ambitions in FY22. We have also set an objective to build a comprehensive database around our cultural ambitions to facilitate insightful objective setting and measurement of our progress.

Our work in this area contributes to: **SDG 3** Good health and wellbeing, **SDG 5** Gender equality, **SDG 8** Decent work and economic growth; with a focus on the below sub-indicators:

3 GOOD HEALTH AND WELL-BEING	**3.4**	By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing
5 GENDER EQUALITY	**5.5**	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
8 DECENT WORK AND ECONOMIC GROWTH	**8.5**	By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

Sustainability report continued

Customer *empowerment*

We are committed to embedding a customer-led approach to product development and delivery. We want our customers to directly inform our agenda, and by creating accessible, high value, and up to date products we empower them to realise maximum value from our offering. Critical to the success of this ambition is a culture in which any individual involved in the product cycle is mindful of customer needs, such that they reflect those needs throughout the cycle from development to delivery.

> "During FY21 we maintained the flexibility to align our products and their delivery format to ever changing customer need as they adapted to ongoing restrictions and challenges within their own businesses.

We approach this challenge from a range of perspectives, as set out below.

Perspective	Principal objectives	Supporting resources and initiatives
Accessibility	Produce products that are accessible to all, with a consistent approach to each core product group.	• Accessibility policy informing product accessibility standards • Training to ensure strong understanding and high levels of awareness of accessibility issues • Product-specific roadmaps to improve accessibility standards
Innovation, flexibility and agility	Embed a dynamic product management approach that can respond rapidly to change whilst maintaining high quality outputs.	• Investment in strong digital capabilities to ensure sufficient flexibility to be delivery mechanic agnostic • Embedding strong data analytic capabilities across the portfolio to provide high quality insight to customers • Training through the Wilmington product academy • Adhering to a philosophy of iterative product roll-outs to produce relevant updates and stay close to change
Customer engagement	Ensure customers directly inform the new product development agenda, and facilitate strong communication channels for customer feedback.	• CAGs • Customer feedback questionnaires • Targeted peer group and wider industry analysis • Dedicated communication channels to allow customers to contact the business and receive individual responses

Driving progress

During FY21 we maintained the flexibility to align our products and their delivery format to ever changing customer need as they adapted to ongoing restrictions and challenges within their own businesses. As we continue to seek high levels of engagement, and remain responsive to our customers' needs, our ambitions for new product development reflect the following commitments:

- 100% of new products can be accessed via hybrid delivery formats.
- 100% new product development proposals demonstrate a minimum level of customer referencing for presentation to the investment committee before approval is granted.
- Effective product roll-out is verified by net promoter score targets, in addition to financial returns.

Our future focus is to further develop the work we do to instil a truly customer-led product management culture. Championing accessibility is central to this ambition and therefore we are committed to ensuring that every individual involved in the product cycle has been given the resources they need to integrate accessibility considerations into their plans. In FY22 we aim to deliver:

- A senior leadership workshop to ensure a coherent and consistent understanding of up-to-date accessibility requirements across the Group, so that this knowledge can be integrated into product management and long term business planning processes.
- A bespoke webinar available to all staff to improve awareness and understanding of accessibility issues.
- Revised accessibility policy terms across all our businesses.
- A roadmap to set out the actions required to conform to WCAG Level AA standards across our digital portfolio.

Our work in this area contributes to: **SDG 10** Reduced inequalities; with focus on sub-indicator **10.2**:

10 REDUCED INEQUALITIES

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

Sustainability report continued

Proactive *assurance*

Ethical compliance

Responsible business practice is at the heart of our strategy, and therefore we aim to instil a culture of strong ethical compliance across the portfolio. Our ethics policies are designed to provide clear and consistent guidance to our people to ensure they contribute to these high standards of ethical conduct, and are outlined for all employees in our Staff Handbook.

One of the key elements of our core value of cultural positivity is that Wilmington reflects a safe and inclusive working environment that encourages strong employee engagement and participation by all. Management encourages this by advocating universal openness and transparency in respect of reporting non-compliance of any form, with clear guidelines provided in the Group's ABC and Whistleblowing policies. As we advocate high standards of integrity internally, we echo this sentiment in respect of our external stakeholders by taking a zero-tolerance approach to any forms of unethical behaviour within our wider operations and supply chains.

Responsible digitisation

The acceleration of our digitisation strategy in the prior year was critical to the ability of the Group to continue to adapt in the face of uncertainty. As we have continued to refine our digital-first model and commit to enhancing digital capabilities, we have focussed on a parallel commitment of responsible digitisation. Our customers rely heavily on quality data and advanced analytics in our information and data businesses, and on reliable and engaging delivery formats in our training and education businesses. This reliance comes with positive assurance from our teams that we take a proactive approach to uphold the highest standards of cyber security and data privacy.

Our digital assurance process is governed by skilled individuals who maintain high levels of control and compliance in this area and implement best practice across three key integrated workstreams.

We use three key targets to hold ourselves accountable to high standards of compliance in this area:

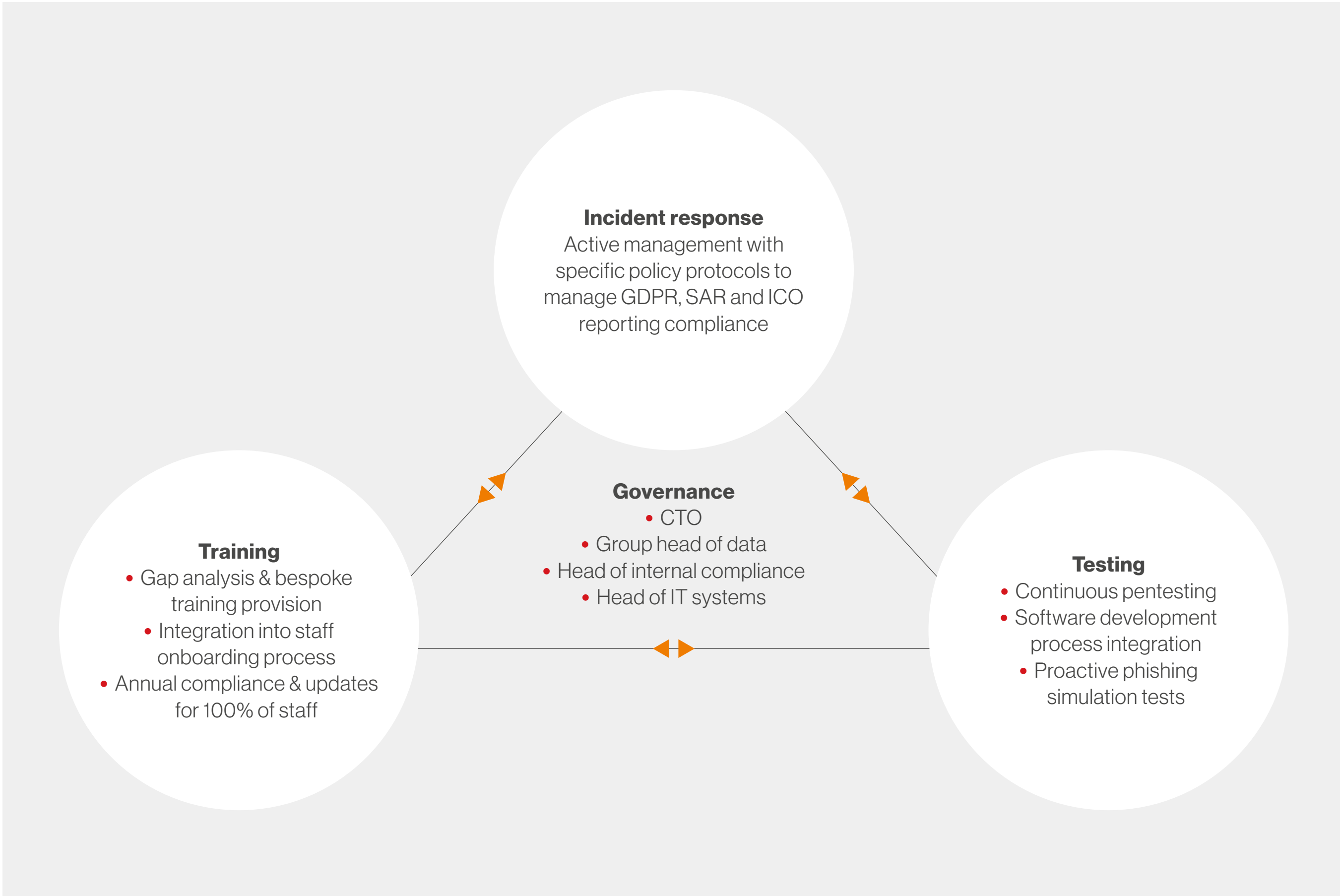
- **>98%** acceptance of cyber security policy*
- **0** phishing incidents resulting in the loss of data
- **100%** of internal products undergo continuous pentesting

* Policy acceptance data includes absent employees, therefore 98% effectively equates to 100% of the present workforce

From FY22 we intend to introduce an additional target to demonstrate action in this area, that 100% of external digital products will undergo continuous pentesting.

Our work in this area contributes to **SDG 16 Peace, justice and strong institutions**, with focus on sub-indicator **16.6**:

16.6 Develop effective, accountable and transparent institutions at all levels.



Sustainability report continued

Environmental *responsibility*

We recognise the need to commit to environmentally responsible operations as part of our commitment to creating a healthy planet for our people, our partners and our local communities to prosper. Our biggest direct impacts on the planet come from resource use and emissions from our offices, and we continue to focus on transitioning to sustainable materials and methodologies to reduce this impact.

In recognition of the gathering pace of climate change, we also recognise the need to accelerate any action that we can take to ensure that our business plays an active role in the global effort to address the crisis. We have therefore committed to becoming carbon neutral in FY22, and will also set a roadmap to become a net zero carbon business, to maximise our impact and demonstrate our support of collective action.

> We have early adopted TCFD and have accelerated our work to address climate change.

Responsible resource use and effective working practice

Ongoing investment in our technological and data capabilities has had a significant impact on our ability to work in innovative ways resulting in reduced environmental impact. The capabilities we now have to operate remotely whilst maintaining strong personal connections and high product quality have significantly reduced the environmental footprint from travel by our workforce and our customers. Whilst this progress is positive, we also recognise the need to address the impact of our digital footprint on the environment through energy consumption.

The significant shift to remote and blended working triggered by the Covid-19 pandemic provided us with an opportunity to reduce our environmental impact. This new way of working has been effective, and positive feedback from our people prompted us to consolidate our office space to reflect a future of flexible working arrangements. This reduction in the need for office presence will lead to more efficient use of remaining space, with related resource use reduction onsite and emissions from commuting. Where the consolidation of office space resulted in surplus furniture, fixtures and IT equipment, we worked with a specialist partner to recycle it and prevent any waste going to landfill in line with our resource management policy.

Resource management policy

Resource use	Resource disposal
Paper **Source:** a chain of custody certified suppliers to ensure only sustainable raw materials are used in production. **Production:** at mills with ISO 14001 accreditation and Environmental Management System ('EMS') registration.	**100%** IT waste managed by ISO 9001:2015 and ISO 14001:2015 accredited, WEEE-compliant recycling partner.
Printers **Supplier standards:** major print suppliers are ISO 14001 certified or work to this as minimum. The Forest Stewardship Council is recommended for the Endorsement of Forest Certification. All our printers work digitally facilitating reduced transport, courier and energy utilising activities.	**100%** redundant PPE recycled or repurposed. **100%** office sites provide recycling units for waste, with supporting guidelines to promote workforce compliance.
Packaging Recyclable polythene with a thickness of 25 microns, or exo-biodegradable and potato starch forms of polythene.	

Energy and carbon reporting

Our reporting on energy use and GHG emissions is in line with the Streamlined Energy and Carbon Reporting ('SECR') legislation. To reflect our commitment to monitor, report and reduce our environmental impact, we have also increased the scope of our GHG reporting to include Scope 1, 2 & 3 emissions.

Energy use and GHG emissions have been assessed following the ISO 14064-1:2018 standard and using the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs ('Defra') and the Department for Business, Energy Industrial Strategy ('BEIS'). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The operational control approach has been used. All Group entities have been included in the assessment.

Global carbon footprint assessment	**30 June 2021 (Tonnes of CO_2e)**	30 June 2020 (Tonnes of CO_2e)	Improvement in the year
Emissions from:			
Scope 1 – Direct emissions	**32**	69	54%
Scope 2 – Indirect emissions	**164**	240	32%
Total scope 1 & 2 emissions	**196**	309	37%
CO_2 ratio scope 1 & 2 (tonnes of CO_2 per employee)	**0.24**	0.36	33%
Scope 3 – other indirect emissions	**235**	n/a	—
Total (all scopes 1, 2 & 3)	**431**	n/a	—
Total global energy consumption (kWh)	**794,955**	1,277,141	38%

The action we have taken in the year to consolidate our office space reflects our intention to continue to reduce our resource use and carbon footprint from offices in the future. We are also assessing our process for managing resource use and emissions from all aspects of our operations, and the conclusions from this work will form the basis for our roadmap to becoming a net zero carbon business. Our aim to further reduce our carbon emissions in FY22 will be initially supported by work to significantly increase the percentage of renewable energy usage across the portfolio. We will also look to further understand our scope 3 emissions, and take steps to reduce these where practicable.

Sustainability report continued

Environmental responsibility continued

Our work in this area contributes to **SDG 12** Responsible consumption and production, and **SDG 13** Climate action; specifically:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.2**	By 2030, achieve the sustainable management and efficient use of natural resources
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.5**	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
13 CLIMATE ACTION	**13**	The implementation of our net zero carbon roadmap will contribute to SDG 13.

> We have committed to carbon neutrality in FY22 and we are working to refine our roadmap to becoming a net zero carbon business.

Taskforce for Climate Related Financial Disclosures

During FY22 we will complete our work to align fully with TCFD requirements, including performing scenario analysis to quantify our climate risks and opportunities. For the year ended 30 June 2021, our alignment with TCFD is summarised below.

Requirement		Progress
1.1	Describe the Board's oversight of climate-related risks and opportunities.	Board level oversight is with the Chief Financial Officer and the Senior Non-Executive Director. See page 21 of the sustainability report.
1.2	Describe management's role in assessing and managing climate-related risks and opportunities.	Management is with the Group Finance and Sustainability Director, reporting to the Chief Financial Officer and working in collaboration with portfolio business and shared service function management.
2.1	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Consideration of the risks and opportunities that may arise as a result of climate change has been integrated into the Group's risk management framework, as detailed in the annual risk review on page 31. This process considers short, medium and long term outcomes, and is heavily integrated into the Group's broader strategic and financial planning process. Detailed scenario planning to further inform the risk assessment process will be performed in FY22 in preparation for full compliance with TCFD.
2.2	Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
2.3	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
3.1	Describe the organisation's processes for identifying and assessing climate-related risks.	
3.2	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
4.1	Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process.	The metrics used are aligned to the financial and non-financial indicators used in the Group's wider risk assessment process. Further analysis of the most appropriate metrics will be performed as part of the scenario analysis planned in FY22.
4.2	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions, and the related risks.	We report comprehensively on Scope 1, 2 and 3 GHG emissions in line with SECR guidelines. See page 26 of the sustainability report.
4.3	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Details of the Group's targets to drive progress are included on page 25 of the sustainability report.

Financial review

3% organic growth in revenue

Overview
The Group performed well during the year, achieving organic revenue growth of 3% (2020: down 8%). Revenue growth was supported by strong cost control and efficiencies realised through conversion to digital, driving increased profitability and a corresponding improvement in adjusted operating margin at 14.7% (2020: 12.4%). This resulted in strong cash generation, reflected in a significantly reduced net debt position (including lease liabilities) at 30 June 2021 of £28.0m (2020: £40.8m).

Adjusting items, measures and adjusted results
In this financial review reference is made to adjusted results as well as the equivalent statutory measures. Adjusted results, in the opinion of the Directors, provide additional relevant information on our future or past performance where equivalent information cannot be presented using financial measures under IFRS. Adjusted results exclude adjusting items, gain on disposal of subsidiaries and business operations, impairment and amortisation of intangible assets (excluding computer software).

	2021 £'m	2020 £'m	Absolute variance £'m	Absolute variance %	Organic variance %
Revenue	**113.0**	113.1	(0.1)	(0.0%)	3.3%
Adjusted profit before tax	**15.0**	11.9	3.1	26.6%	27.9%
Margin %	**13.3**	10.5			

Variances described as 'organic' are calculated using constant currencies and exclude the impact of the closure and disposal of CLT England and CLT Scotland respectively, as well as the disposal of a pension fund product line within the Information & Data division.

Revenue
Group revenue was flat overall and increased 3% on an organic basis. Full details can be found in the Review of Operations on pages 19 and 20.

> "Strong cost control and efficiencies realised through the conversion to digital resulted in increased profits at all levels.

Operating expenses before adjusting items, amortisation and impairment
Operating expenses before adjusting items, amortisation of intangible assets (excluding computer software) and impairment, were £96.4m (2020: £99.0m) down £2.6m or 2.6%.

Within operating expenses, staff costs increased £1.4m to £54.7m (2020: £53.3m). This net increase was driven by the full year effect of investments in new roles that have been key to our strategic progress. Discretionary staff bonuses and sales commission payments were also £1.7m higher than the prior year supported by a stronger trading performance in FY21. The increases described above were offset by salary cost savings generated from a reduction in the average monthly headcount during the year to 952 from 982 in the prior year. This decrease in headcount was primarily driven by the closure of CLT England as well as the sale of CLS Scotland and AP Pensions. There was also a small saving in share based payment costs of £0.2m due to revised vesting assumptions during the year.

Non-staff costs decreased by £4.0m to £41.7m from £45.7m in the prior year. Direct costs made up £3.7m of this decrease, demonstrating cost savings from a full 12-month period of running virtual events and training as opposed to traditional, more costly face-to-face variants. A further £1.6m cost saving was driven by the closure and sale of CLT England and CLT Scotland, respectively. These, and other cost decreases, were partly offset by an increase in direct costs of £2.3m to support organic revenue growth primarily in the Group's Compliance and Global Training businesses.

Unallocated central overheads
Unallocated central overheads, representing Board costs and head office salaries as well as other centrally incurred costs not recharged to the businesses, were flat year-on-year at £4.3m (2020: £4.3m).

Adjusted profit before tax ('adjusted PBT')
As a result of these changes in revenue, operating expenses and finance costs, adjusted profit before tax, which eliminates the impact of adjusting items, amortisation of intangible assets excluding computer software, other income (when it is material or of a significant nature), and impairment of goodwill, intangible assets and property, plant and equipment, was up 26.6% to £15.0m (2020: £11.9m).

Adjusted profit margin (adjusted PBT expressed as a percentage of revenue) also increased to 13.3% (2020: 10.5%).

Financial review continued

"

Strong balance sheet position maintained.

Amortisation excluding computer software

Amortisation of intangible assets (excluding computer software) was £3.4m, compared to £4.8m in the previous year. The decrease reflects certain historic assets being fully amortised part way through the prior year.

Impairment of goodwill, intangible assets and property, plant and equipment

An impairment charge of £3.0m was recognised in relation to the goodwill and intangible assets attributable to a loss-making product line in the Healthcare sub-division that was discontinued during the year. £1.5m of this impairment charge was allocated against goodwill, with the remaining £1.5m allocated to intangible assets.

The Group's annual impairment review concluded that the carrying value of the UK Healthcare CGU exceeded its recoverable amount. This reflects the ongoing uncertainty around the anticipated timeline for a return to pre-pandemic growth within the UK Healthcare business following Covid-19 related disruption to the healthcare industry. Consequently, an impairment charge of £8.4m has been recognised to reduce the carrying value of the CGU, and has been allocated entirely to the associated goodwill.

The right-of-use asset and associated property plant and equipment relating to the Group's head office premises were impaired during the year following a decision to consolidate office space to reflect a future of flexible working arrangements. Management took the decision to permanently close a portion of the head office and seek a tenant to sublease the closed portion. This resulted in a £3.4m impairment charge, £2.8m of which was allocated to the head office, with the remaining £0.6m allocated to the associated property, plant and equipment.

This resulted in a total impairment charge of £14.8m which was recognised within adjusting items for the year ended 30 June 2021.

Adjusting items within operating expenses

Adjusting items in operating expenses are those items that in the opinion of the Directors are one-off in nature and which do not represent the ongoing trading performance of the business. In the year adjusting items within operating expenses were £3.0m (2020: £0.6m). These items are mainly £1.9m (2020: £nil) representing an onerous provision for costs associated with the closed portion of the head office, and £1.1m (2020: £0.6m) relating to strategic activities. Costs associated with strategic activities relate to strategic reviews of two of the Group's businesses, Central Law Training Limited and Wilmington Inese SL in addition to costs associated with the disposal of business operations.

Operating loss ('EBITA')

Operating profit decreased from £8.6m in the prior year to an operating loss of £0.4m for the year ended 30 June 2021. The decrease is driven primarily by the impact of the adjusting items and the £14.8m impairment charge detailed above, offset in part by the profit on disposal of CLT Scotland and a pension fund product line within the Information & Data division.

Net finance costs

Net finance costs decreased by £0.6m to £1.6m (2020: £2.2m), within which interest payable on bank loans and overdrafts fell £0.2m due to lower average debt balances across the year. In addition to this, the prior year expense includes fees in respect of the renegotiation of the Group's financing arrangements during the year ended 30 June 2020.

Result before taxation

Loss before taxation was £2.0m compared to a profit before tax in the prior year of £6.4m, a reconciliation of this to adjusted profit before tax can be found in note 2.

Taxation

The tax charge for the year was £2.5m compared to £1.8m in the prior year. Despite a significant reduction in profit before taxation from £6.4m in the prior year to a loss before taxation of £2.0m during the year, the main driver of this profit reduction was the impairment charge detailed above which was not deductible for tax purposes.

The underlying tax rate which ignores the tax effects of adjusting items remained essentially unchanged at 20.5% (2020: 20.9%).

Earnings per share

Adjusted basic earnings per share increased by 27.2% to 13.62p (2020: 10.71p), owing to the increase in adjusted profit before tax, a broadly flat underlying tax rate and an essentially unchanged number of issued ordinary shares. Basic loss per share was 5.18p compared to a basic earnings per share of 5.33p in the prior year, wholly reflecting the decrease in profit after tax.

Dividend

A final dividend of 3.9p per share (2020: nil) will be proposed at the AGM. If approved it will be paid on 12 November 2021 to shareholders on the register as at 15 October 2021 with an associated ex-dividend date of 14 October 2021. This will give a full year dividend of 6.0p (2020: nil) and dividend cover of 2.3 times (2020: nil).

Financial review continued

Balance sheet

Non-current assets

Goodwill decreased by £12.1m from £77.9m to £65.8m which was primarily due to the £8.4m impairment of goodwill relating to the UK Healthcare CGU, as well as the £1.5m impairment relating to a discontinued loss-making product line as described above. Additionally, a weakening US Dollar led to a decrease in the Sterling value of the US Dollar portion of the Group's goodwill.

Intangible assets decreased by £5.7m from £19.7m to £14.0m due to amortisation of £5.8m and an impairment of £1.5m as described above. These decreases were partly offset by additions of £2.0m within computer software reflecting the Group's continued strategy to invest in the existing businesses to fuel organic growth. Additions during the year reflect the installation of the new virtual classroom facility in the Birmingham UK office, as well as continued investment in Wilmington's Digital Hub. Internally generated assets accounted for £0.5m of additions (2020: £0.8m).

Property, plant and equipment decreased by £7.6m from £16.9m in the prior year to £9.3m in the year ended 30 June 2021. Of this decrease, £5.2m was attributable to right-of-use assets.

The £2.4m decrease in purchased property, plant and equipment was attributable to depreciation of £1.2m and impairment of £0.6m, partly offset by £1.0m of additions during the year. Furthermore, the carrying value of £1.6m relating to a building marketed for sale at 30 June 2021, as part of the exercise to consolidate our office space, was transferred from property, plant and equipment to assets held for sale.

As detailed above, right-of-use assets decreased by £5.2m to £6.6m (2020: £11.8m) during the year. This decrease is primarily due to the £2.8m impairment of the Group's head office detailed above as well as depreciation of £2.2m during the year.

Deferred consideration receivable

The deferred consideration receivable balance relates to the disposal of ICP in July 2018. At 30 June 2021 the Group recognised a total of £1.8m (2020: £2.2m) of deferred consideration receivable, with £1.6m recognised within non-current assets and the remaining £0.2m recognised within current assets. During the year, a £0.1m unwind of the discount was offset by an increase of £0.5m reflecting an agreed adjustment to the phasing of the settlement plan.

Trade and other receivables

Trade and other receivables were up £3.2m at £28.7m (2020: £25.5m). This increase was due in large to increased billings compared to the prior year. The increase was partly offset by the closure and disposal of CLT England and CLT Scotland respectively, which collectively comprised £0.3m within trade receivables in the prior year.

Current tax asset

At 30 June 2021 the Group recognised an asset relating to current tax of £0.3m (2020: £1.3m). The net asset position reflects a claim to carry back US losses against prior year returns resulting in a net repayment position.

Trade and other payables

Trade and other payables decreased by £3.5m from £58.5m to £55.0m. Within this, subscriptions and deferred revenue decreased £1.4m or 4.3% to £30.1m (2020: £31.5m) and trade and other payables decreased £2.2m to £24.8m (2020: £27.0m).

This decrease in subscriptions and deferred revenue was driven in large by the delayed RISE Nashville event which has resulted in fewer prepayments from event sponsors or delegates being held than in the prior year. In addition to this, subscriptions and deferred revenue in the prior year included £0.6m of deferred revenue in respect of CLT England which was £nil for the year ended 30 June 2021 following its closure.

The decrease in trade and other payables was primarily driven by the unwind of deferred VAT and payroll tax payments which were on the balance sheet in the prior year in response to the Covid-19 pandemic. A further driver of the decrease was less spend on venues and related costs during the year following the transition to virtual of many of the Group's training and events.

Provisions

At 30 June 2021 a provision of £1.8m has been recognised in respect of future committed cost associated with the closed portion of the head office space.

Net debt, lease liabilities and cash flow

Net debt, which includes cash and cash equivalents, bank loans (excluding capitalised loan arrangement fees) and bank overdrafts, and lease liabilities was £28.0m (2020: £40.8m). This significant decrease in net debt is driven by a strong trading performance delivering improved profits, deployment of effective cash management strategies as well as a small product disposal during the year which has enabled the business to reduce the level of drawdown debt.

Lease liabilities decreased during the year by £2.4m to £10.7m (2020: £13.1m) which represents cash payments in relation to contractual lease obligations, offset in part by £0.3m of notional interest on lease liabilities reported within net finance costs.

Cash conversion for the year ended 30 June 2021 was 104% (2020: 189%), although year-on-year comparison of the percentages has been impacted by the unusual movement in working capital, driven by delayed 2020 payments of UK VAT and payroll tax of £5.7m in the prior year.

Derivative financial instruments

The Group is exposed to foreign exchange risks, liquidity and capital risks and credit risks. The Group has policies that mitigate these risks which include the use of derivative products such as forwards and swaps subject to Board approval. The Group uses interest rate swap contracts to mitigate part of the interest rate volatility risk. These swaps have resulted in an asset of £0.1m (2020: £0.1m liability) at 30 June 2021.

On 1 July 2021 the Group entered into a number of foreign currency transactions to mitigate possible exchange rate fluctuations on its FY22 financial results. $8.5m USD were sold forward to mature during the 2021/2022 financial year at an average rate of $1.38.

Share capital

During the year nil (2020: 64,350) new ordinary shares of £0.05 were issued. Shares which vested during the year under the Group's Performance Share Plan were settled via the Wilmington Group plc Employee Share Ownership Trust.

In the year the Wilmington Group plc Employee Share Ownership Trust purchased 129,903 ordinary shares for the purpose of future settlement of employee share schemes. At 30 June 2021 it held 329,903 shares (2020: 200,000).

Guy Millward
Chief Financial Officer
17 September 2021

Risks and uncertainties facing the business

Identifying and managing our risks

Responsibility for the Group's system of risk management and internal controls ultimately lies with the Board. Risk identification, assessment and management is a key aspect of the Group's internal control environment and risk management is recognised as an integral element of the Group's operating activities.

The Board is also responsible for determining the Group's appetite for risk, and the acceptable level of risk that can be taken on by the Group and its individual operating entities, when assessing its strategic objectives ('Wilmington risk appetite'). The Board sets and clearly communicates its local risk appetite to the business leaders responsible for executing their activities in various locations across the global portfolio. The guidelines set in response to the Group's risk appetite are complemented by the Wilmington Code of Conduct, Anti-Bribery and Corruption ('ABC') and Modern Slavery guidelines, other Group policies, and in accordance with delegated authority limits. The Group's Risk Assessment covers a three year period, as is consistent with the period of assessment used in its strategic planning process and viability review. Justification for the appropriateness of this time frame in provided in the Going concern and viability statement on pages 38 and 39.

The Wilmington Executive Committee coordinates and facilitates the risk assessment process on behalf of the Board. The Executive Committee (comprising the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and Heads of Group Functions) reports directly to the Board using a combination of structured formal interviews, monthly operational updates, site visits, 'bottom up' reporting and registers (the 'Risk Assessment'). The Risk Assessment covers both external and internal factors and the potential impact and likelihood of those risks occurring. Twice per annum the Audit Committee discusses the report received from the external auditors regarding their audit; which includes comments on their findings on internal control and risks.

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

As well as assessing ongoing risks the Executive Committee considers how the business could be affected by any emerging risks over the long term. Emerging risks are those which may develop but have a greater uncertainty attached to them. Twice per annum Managing Directors and Heads of Group Functions are asked to highlight any new or emerging new risks, these are then reported to the Audit Committee and monitored on an ongoing basis.

Our risk assessment process provides a clear framework for identifying and managing risk, both at an operational and strategic level, and has been designed to be appropriate to the ever-changing environments in which we operate.

The following chart summarises our business risk management structure.

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

Risks and uncertainties facing the business continued

Roles and responsibilities

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

Board

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

Audit Committee

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

Actions
- Receive regular reports on the internal and external audit and other assurance activities
- Receive regular risk updates from the businesses
- Determine the nature and extent of the principal Group risks and assess the effectiveness of mitigating actions
- At least annually review the effectiveness of risk management and internal control systems
- Review the adequacy of the Group's Whistleblowing, Modern Slavery and ABC policies

Executive Committee

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

Actions
- Review of risk management and assurance activities and processes
- Monthly/quarterly finance and performance reviews
- Review key risks and mitigation plans
- Review the three year strategic plan
- Review results of assurance activities
- Escalate key risks to the Board

Heads of the Group Functions and MDs of businesses

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

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

Risks and uncertainties facing the business continued

Wilmington risk appetite

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

The provision of solutions primarily to the Governance, Risk and Compliance market, means that the integrity of the business and its brands is crucial and cannot be put at risk. Consequently, it has zero tolerance for risks relating to non-adherence to laws and regulations ('unacceptable risk'). The business, however, operates in a challenging and highly competitive marketplace that is constantly changing not just in regulation and legislation but also for new technology and process innovation.

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

Emerging risks

The Group recognises that the global climate crisis is, and will continue to be, a significant driver of future socio-economic and environmental change. The risk assessment process described above in relation to the Group's risk management arrangements is consistent with that applied to the Group's consideration of climate-related risks to ensure that these are appropriately captured.

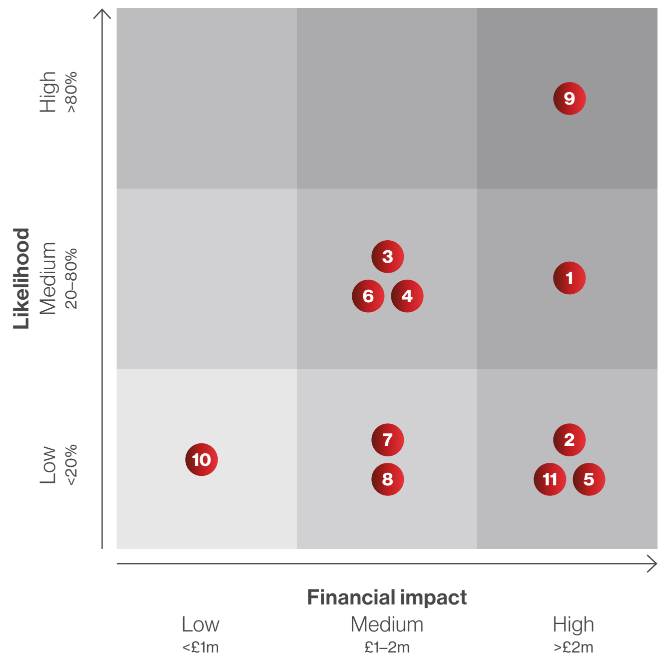
As part of its preparations to comply with TCFD requirements in the year ended 30 June 2022, the Group has already begun work to assess the risks and opportunities that may arise as a result of climate change. An element of this work will involve gaining detailed insight into the magnitude of the potential risk so that management can assess whether it should be considered one of the Group's principal risks going forward. Further information on the Group's response to TCFD can be found on page 27.

Principal risks

The Directors have carried out an assessment in the year to 30 June 2021 of the principal risks facing the Group – including those that would threaten its business model, future performance, solvency or reputation. The eleven key risks and uncertainties relating to the Group's operations, along with their potential impact and the mitigations in place, are set out below. There may be other risks and uncertainties besides those listed below which may also adversely affect the Group and its performance. More detail can be found in the Audit Committee report on pages 47 and 48.

As part of their assessment, the Directors reviewed the principal risks in the context of their potential impact on the Group's ability to achieve its strategic objectives as set out on pages 13 to 15. Each risk is mapped to the area(s) of operational excellence that would be the most heavily disrupted in the event of it manifesting. This mapping is set out within the risk assessment on pages 34 to 37, denoted by the following initials: Product ('PR'), Sales and Marketing ('SA'), Technology and Data ('TE'), and People ('PE'). As part of the work performed in the year to refine the Group's sustainability strategy, consideration has also been made to how the Group's sustainability initiatives as discussed on pages 21 to 27 will contribute to mitigation of the principal risks. The four pillars of the sustainability strategy have been mapped to any principal risks that they are considered to contribute towards the mitigation of, being: Cultural positivity ('CP'), Customer empowerment ('CE'), Environmental responsibility ('ER'), Proactive Assurance ('PA').

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



1. Market and innovation
2. Lack of changes to regulations and legislation
3. People
4. Intellectual property rights infringement
5. Failure or significant interruption to IT systems causing disruption to client service
6. Technology and speed of change
7. Remoteness of operations and globalisation
8. Dependency on key data sources
9. Major incidents
10. IR35 tax reforms
11. Reputational risk

Change to risk

In the June 2020 Annual Report a specific key risk relating to the 'Covid-19' pandemic was added. The continued profitability and strong liquidity of the business throughout the pandemic has provided sufficient comfort that this risk is no longer a specific risk of high magnitude, as demonstrated by the resilience of the Group, and its potential ongoing impact has been heavily integrated into the future plans of the Group. It is therefore considered appropriate that going forward this risk is integrated into the 'Major incidents' risk.

Risks and uncertainties facing the business continued

1. Market and innovation

Area(s) of operational excellence:

PR SA

Supporting sustainability pillar(s):

CE PA

Description

The specialist markets we serve are highly competitive, these markets experience growth, decline, consolidation and disruption which change customer needs and preferences.

These factors combined mean that if we do not continually innovate and invest in our business we will not deliver the organic growth required to maintain acceptable margins and best in class returns over the long term.

Mitigation

Product management is one of the four areas of operational excellence that the business is focussing on to drive progress against its strategic objectives.

The Group has a dedicated New Product Development ('NPD') framework, managed by an Investment Committee. The objectives of the committee are to actively encourage innovation whilst maintaining strong governance and rigour around internal investment and provide detailed post-investment appraisal.

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

Within the product development framework, we have implemented a methodology which involves stripping back requirements to the 'minimum viable product' which serves the fundamental needs of our customers and then adopting 'customer advisory groups' to learn what additional features would be of value to our customers. This iterative roll-out process ensures more effective and focussed product development that continually responds to customer needs.

This approach has proven highly effective as we continue to react swiftly to changing demand as our customers adapt to new ways of working and increasingly value the flexibility facilitated by our hybrid delivery model.

Change since 2020

Same risk

2. Lack of changes to regulations and legislation

Area(s) of operational excellence:

PR SA

Supporting sustainability pillar(s):

CE PA

Description

Wilmington's businesses operate in the GRC and Regulatory Compliance markets. The product portfolio is therefore heavily centred around helping customers manage the operational complexity and increased risk caused by wide-ranging laws, regulations and legislation.

Changes to the regulatory landscape offer opportunities for Wilmington to leverage its knowledge and expertise to assist clients and customers with the change.

A lack of regulatory change would reduce new opportunities for growth and demand for existing products and services.

Mitigation

We actively monitor Government regulatory bodies and relevant committees to ensure that we understand the future landscape. This enables us to position both our existing and new products and services to help better deliver to our clients and customers.

Local plans are updated as part of the internal strategic planning process to enable us to respond quickly to market information and economic trends. Continual monitoring of market conditions and market changes against our Group strategy, supported by the reforecasting and reporting in all of our businesses, is key to our ability to respond rapidly to changes in our operating environment.

During the year, the Group has continued to innovate and diversify its product portfolio by offering more value-added products which are less dependent on changes in regulation. We have also focussed heavily on listening to our customers so that the products we develop continue to support change across their businesses that are often caused by existing regulatory requirements rather than new or changed ones. We have also demonstrated throughout the pandemic that as customer needs change, we have the agility to respond effectively whilst maintaining our own key revenue streams.

Change since 2020

Same risk

3. People

Area(s) of operational excellence:

PE

Supporting sustainability pillar(s):

CP ER

Description

The implementation and execution of our strategies and business plans depend on our ability to recruit, motivate and retain a diverse workforce of skilled employees and management, particularly senior management, expert trainers and those with technology and data analytics capabilities.

An inability to recruit, motivate or retain such people could adversely affect our business performance.

Failure to recruit and develop a diverse talent base for the Group that does not reflect the diversity of the customers we serve could also adversely affect our reputation and business performance.

Mitigation

People are one of our four key areas of operational excellence which have been identified as the areas of focus to facilitate progress against our strategic objectives. The wellbeing and development of our people is at the forefront of the way we operate as a business.

Cultural positivity is also a core focus of our sustainability strategy, and we are committed to creating equal opportunities and nurturing talent in a safe and mindful environment. Further details of the initiatives we are running to enhance the experience of our people can be found in the sustainability report on pages 22 and 23.

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

The Group also operates a Save As You Earn scheme for UK employees to further align the interests of employees and shareholders.

Change since 2020

Same risk

Area of operational excellence PR Product TE Technology and Data SA Sales and Marketing PE People

Supporting sustainability pillars CP Cultural Positivity CE Customer Empowerment PA Proactive Assurance ER Environmental Responsibility

Risks and uncertainties facing the business continued

4. Intellectual property rights infringement

Area(s) of operational excellence:
PR SA

Supporting sustainability pillar(s):
PA

Description
Protection of our intellectual property builds competitive advantage by strengthening barriers to entry. Our intangible resources include data, processes, technological know-how, branding and our workforce.

Intellectual property rights are integral to the Group's success.

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

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

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

Change since 2020
Same risk

5. Failure or significant interruption to IT systems causing disruption to client service

Area(s) of operational excellence:
TE

Supporting sustainability pillar(s):
PA

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

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

Mitigation
Our IT infrastructure is supported by a UK based third-party specialist, and is consistently reviewed and improved to ensure the best quality experience for both our employees and our customers. As part of the management strategy we have a shared hosting facility for our internal systems, giving us Tier 3 and ISO 27001 data centres for extra security and a common disaster recovery position.

We continued to focus on recruitment, retention and training of highly skilled internal IT staff to ensure we demonstrate best practice service management.

We continue to roll-out mandatory cyber security training for all staff to increase the awareness of this increasing threat. In addition, our outsourced IT infrastructure partner proactively monitors our network periphery for potential cyber-attacks. We also run education and simulations of cyber-attacks for staff to further increase awareness and reduce this risk.

Specific back-up and resilience requirements are built into our systems and we are increasingly becoming more cloud based.

Our critical infrastructure is set up so far as is reasonably practical to prevent unauthorised access and reduce the likelihood and impact of a successful attack.

Business continuity and disaster recovery plans are in place and are assessed continually to ensure that they cover the residual risks that cannot be mitigated.

The Group also outsources the hosting of all websites improving resilience, efficiency and scalability.

Change since 2020
Same risk

6. Technology and speed of change

Area(s) of operational excellence:
TE

Supporting sustainability pillar(s):
PA

Description
Digital and technological transformation is now moving at a fast pace across the globe, disrupting value chains and transcending the traditional ways of conducting business.

Digitisation is compelling our clients and customers to revisit their business models increasingly shaped by the digital world. Although digital and technological transformation offers Wilmington boundless possibilities for growth and value creation, it comes with its own set of challenges and risks.

Mitigation
Our NPD process outlined above enables and encourages product innovation throughout our business. This has improved our rate of innovation to deliver 'client centric' products.

Our technology and data teams have a significant range of valuable experience, including that gained in mature digital organisations. This talent has proven invaluable as we further accelerate our digital and technology transformation. We are actively delivering projects in an 'agile' fashion using product management methodologies.

Our ability to rapidly adapt to change in this area has been demonstrated by the operational effectiveness of our digital-first model since the onset of Covid-19 in the prior year. This digital-first approach is now embedded in our new training product launches and we continue to invest significant resource in setting up and developing the next generation of digital training products and learning support systems.

Change since 2020
Same risk

Area of operational excellence
PR Product
TE Technology and Data
SA Sales and Marketing
PE People

Supporting sustainability pillars
CP Cultural Positivity
CE Customer Empowerment
PA Proactive Assurance
ER Environmental Responsibility

Risks and uncertainties facing the business continued

7. Remoteness of operations and globalisation

Area(s) of operational excellence:

SA

Supporting sustainability pillar(s):

N/A

Description

A key operational risk emanates from the remoteness of operations from the head office and the increasing global spread of our businesses.

There is a currency risk from operating in a large number of countries.

Mitigation

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

The Executive Committee ensures that overall Group strategy is fulfilled through ongoing review of the businesses. The creation of central functions for IT, finance and HR provides a central insight into local operations and allows more central control than would be possible with geographically distributed functions.

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

Change since 2020

Same risk

8. Dependency on key data sources

Area(s) of operational excellence:

PR SA

Supporting sustainability pillar(s):

PA

Description

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

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

Mitigation

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

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

Change since 2020

Same risk

9. Major incidents

Area(s) of operational excellence:

SA PE

Supporting sustainability pillar(s):

CP PA

Description

We operate internationally and are exposed to major incidents and global events. These can be caused by extreme weather, natural disasters, major disease outbreak, military action, civil unrest or terrorism.

In most cases, there is relatively little businesses can do to control causes of major incidents. Major incidents have the potential to cause harm and injury to people, venues and facilities and severely interrupt business. Our face-to-face events and training business is particularly vulnerable to this type of risk.

Mitigation

The Group continues to reduce its reliance on generating income from large face-to-face events. It also continues to focus on a hybrid delivery model for all of its products to allow adaptation in the event of a major incident.

The Covid-19 pandemic demonstrated that a major incident does have the ability to impact multiple locations over a protracted time period. However, continued innovation and investment across the Group has demonstrated that the ability to operate on a 100% digital basis provides significant mitigation to this risk.

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

Change since 2020

Increased risk

Area of operational excellence PR Product TE Technology and Data SA Sales and Marketing PE People

Supporting sustainability pillars CP Cultural Positivity CE Customer Empowerment PA Proactive Assurance ER Environmental Responsibility

Risks and uncertainties facing the business continued

10. IR35 tax reforms

Area(s) of operational excellence:
PE

Supporting sustainability pillar(s):
PA

Description
The Group engages with contractors that provide key services to Wilmington. These services include operating as trainers, examiners and invigilators as well as supporting short term development projects.

IR35 is tax legislation by Her Majesty's Revenue and Customs ('HMRC') that is designed to ensure the correct taxation of workers supplying their services to clients via intermediary limited companies. Historically, the responsibility of determining if an individual should be taxed as an employee (i.e. they are captured by the IR35 legislation) or if they are self-employed lay with the individual. The introduction of the IR35 tax reforms means that the responsibility for making the assessment will now lie with the end user (i.e. with the Group).

The introduction of the IR35 tax reform was effective from April 2021. Non-compliance with the new legislation could result in fines from HMRC and reputational damage to the Group. The new legislation has the potential to increase the taxes that these individuals pay, and therefore there is an ongoing risk that they will seek employment elsewhere or increase their charges to Wilmington to compensate for the additional taxes that they are incurring.

Mitigation
During the year all contractors were assessed in respect of IR35 to ensure that the correct tax treatment is applied to their engagements with the Group.

This assessment has been made with the input of several independent external advisors with significant experience and expertise in respect of the legislation. We have remained in close communication with all contractors regarding the implications of their assessment outcomes.

Whilst the risk surrounding implementation of the legislation has now been mitigated, the Group continues to closely monitor the engagements of contractors to ensure ongoing compliance. The Group has also implemented an enhanced new supplier onboarding process to capture any new contractor relationships and continue to ensure IR35 legislation is considered.

Change since 2020
Decreased risk

11. Reputational risk

Area(s) of operational excellence:
SA PE

Supporting sustainability pillar(s):
CP PA

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

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

The overseas entities in the Group are exposed to bribery and compliance breaches. Non-compliance with the territories legislation could cause reputational damage to the Group.

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

The Board receives regular updates on changes to applicable legislation and regulation and plans, both in the UK and overseas in order to adopt them across the Group.

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

We implemented a system where emails are now retained for two years to prevent loss of key data.

Change since 2020
Same risk

Area of operational excellence PR Product · TE Technology and Data · SA Sales and Marketing · PE People

Supporting sustainability pillars CP Cultural Positivity · CE Customer Empowerment · PA Proactive Assurance · ER Environmental Responsibility

Going concern and viability statement

Assessing the future prospects of the Group is integral to the Board's business planning process, and is also closely aligned to the risk management process as detailed on pages 31 to 33. The planning process includes detailed financial forecasting, regular performance analysis, robust risk management assessment, and continued monitoring of industry trends and wider economic conditions.

In the context of the challenging economic environment in which the Group operates, the Board has critically assessed the appropriateness of adopting the going concern basis in preparing the financial statements for the year ended 30 June 2021. Along with the potential impact of the Group's principal risks, specific consideration has been given to the ongoing impact of the Covid-19 pandemic.

The Group's financing arrangements consist of an overdraft facility and a revolving credit facility which expires on 3 July 2024. Further details of these facilities and the associated conditions are set out in note 20 to the financial statements.

Going concern

The Group's going concern assessment considered potential disruption to business continuity caused by principal risks and uncertainties, including the impact of the Covid-19 pandemic and of Brexit, as set out on pages 34 to 37. The assessment period used covers the twelve months ended 30 September 2022. A threat to business continuity within this period would manifest itself as a breach of the Company's liquidity limits or lack of compliance with its banking covenants.

Assessment process

Management prepared forecasts for the assessment period to provide a 'base case' scenario, considered to reflect the most likely outcome based on detailed analysis of current trading, expected future trends, and potential impact of known risks. The results of this base case scenario modelling demonstrate considerable headroom in relation to liquidity limits and covenant compliance at all relevant testing dates. The subsequent analysis focussed on applying 'reverse stress testing' to the base case to demonstrate the conditions under which a threat to business continuity could materialise.

All scenarios modelled in the stress testing exercise demonstrated that there is significant liquidity headroom throughout the going concern forecast period. The review therefore focussed most heavily on banking covenant compliance. The reverse stress testing exercise demonstrated that there would need to be a significant and sustained drop in the Group's profitability and associated increase in the net debt position to trigger a covenant breach. To determine the likelihood of this scenario occurring, extreme downside assumptions were applied to the base case as follows:

- cancellation of flagship events assumed to return in the base case scenario;
- a 3% reduction in revenue from FY21, a comparator already reflecting Covid-19 related downside; and
- more aggressive recessionary impact across the whole product portfolio.

The application of these downside assumptions reduced headroom against covenant compliance, but still did not trigger a covenant breach at any relevant testing date. The Board therefore considers it extremely unlikely that a covenant breach would occur within the assessment period. To gain further assurance over this conclusion, it has however considered a range of mitigative actions that could be applied to protect the Group's position as follows:

- reduce controllable costs for example, limiting pay rises and discretionary bonuses, recruitment freezes and travel restrictions;
- optimise working capital by negotiating longer payment terms whilst continuing to pay suppliers in full;
- limit capital expenditure on new product development; and
- implement strategic action in respect of the Group's asset base.

Going concern basis

Based on the assessment performed, together with the performance of the Group to date in the financial year ended 30 June 2022, the Directors consider that the Group will continue to maintain significant headroom in respect of its liquidity and covenants for the foreseeable future. Accordingly the Directors have concluded that it was appropriate to adopt the going concern basis in preparing the financial statements.

Viability

In accordance with Provision 31 of the 2018 Corporate Governance Code, the Directors have considered the prospects of the Group over a longer period than the twelve months required under the going concern provision. The Directors have determined that a three year period is an appropriate term over which to provide its viability statement, being consistent with that covered by the Group's strategic planning process.

The appropriateness of this assessment period has been scrutinised in light of the uncertainty caused by Covid-19. Whilst the Directors recognise that the resultant volatility within the wider economic environment could reduce the length of time over which they can reasonably assess the viability of the Group, there are two key justifications for not amending the term.

Firstly, the Group continues to manage its strategic objectives within a three year planning and investment cycle, and therefore continues to assess its growth prospects and the associated risks within this time frame. Secondly, if conditions arose within the assessment period that had not been foreseen as part of the viability review, the Directors consider the business to be sufficiently agile to respond in a way that would mitigate potential unforeseen downside. This agility has been demonstrated across the portfolio in the context of the Covid-19 pandemic to date, both in terms of adapting the product portfolio to protect its core revenue streams, and maintaining operational effectiveness to support product delivery.

Assessment process

The Group's viability assessment has been performed by applying the estimated financial impact of potential downside scenarios to three year 'base case' forecasts. The base case reflects a detailed three year strategic planning exercise performed by management with growth rates informed by market trends, new product development plans, customer referencing, and prudent assumptions around post-Covid-19 economic recovery. Management have subsequently performed stress testing to the base case by taking account of its current position and the potential financial impact of the principal risks documented on pages 34 to 37. The viability review has focussed on the occurrence of severe but plausible scenarios in respect of every principal risk and considered the potential of these scenarios to threaten viability. The financial impact of each scenario was quantified where appropriate, and subsequently mapped to a set of mitigative actions that would be taken to manage the risk. Reference was also made to the stress testing analysis performed under the going concern assessment, illustrating the ability of the Group to manage the impact of severe scenarios on liquidity and covenant headroom.

Going concern and viability statement continued

Assessment process continued

The outcome of this assessment indicated that the Group's risk management process, control systems, and current risk appetite are sufficiently robust that a comprehensive response strategy could be actioned to protect the prospects of the Group in the event of such scenarios occurring. Furthermore, the Group's liquidity position is supported by its financing arrangements for the majority of the assessment period, in respect of the revolving credit facility expiring in July 2024 as detailed in note 20.

On this basis the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the viability assessment period.

Internal control

The Board is responsible for the Group's system of internal control and risk management, and for reviewing the effectiveness of these systems. These systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss.

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

Further details of principal risks are given on pages 34 to 37 and details of financial risks such as interest rate risk, liquidity risk and foreign currency risk are given in the financial statements in note 20.

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

i) Financial reporting

The Board reviewed the Annual Report, together with the preliminary and interim results announcements. The Board also reviews and approves Trading Announcements (as appropriate).

The Board together with the Audit Committee considered the appropriateness of the Group's accounting policies, critical accounting estimates and key judgments. It reviewed detailed accounting papers prepared by management on areas of financial reporting judgment, as outlined in the Audit Committee report on pages 47 to 48.

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

ii) Management information systems

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

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

iii) Acquisitions, disposals and treasury

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

Organisations

There are well-structured financial and administrative functions at both the Group and operating company level, staffed by appropriately qualified individuals. The key functions at Group level include: Group accounting, corporate development, Group treasury, Group legal, human resources, IT and data services, company secretarial and Group taxation.

Other matters

The Group has no known issues relating to human rights or modern slavery matters. The welfare of all the Group's stakeholders, including the community, is carefully considered to ensure that such parties are not adversely affected by the Group's actions in the course of its day-to-day business. Further details of the Group's stakeholder engagement processes can be found in the Section 172 Statement on page 16.

The information forming the Strategic report on pages 2 to 39 was approved and authorised for issue by the Board and signed on their behalf on 17 September 2021.

Guy Millward
Chief Financial Officer
17 September 2021

Our Governance

Board of Directors

Martin Morgan
Chair

Appointment to the Board
May 2018

Committee membership
A N R

Key areas of prior experience
Martin Morgan has over 30 years of media and B2B experience, having spent a large proportion of his career at Daily Mail and General Trust plc ('DMGT'). Martin was Chief Executive of DMG Information and subsequently held the position of Chief Executive of DMGT from 2008 to 2016. He was a Non-Executive Director of Euromoney Institutional Investor plc between 2008 and 2016 and Chair of Signal Media Limited between 2017 and 2019. He is currently Senior Non-Executive Director at City of London Investment Trust plc and Advisor to MMC Ventures.

Mark Milner
Chief Executive Officer

Appointment to the Board
July 2019

Committee membership
None

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

Guy Millward
Chief Financial Officer and Company Secretary

Appointment to the Board
November 2020

Committee membership
None

Key areas of prior experience
Guy Millward joined Wilmington on 5 November 2020 as CFO Designate and became CFO and Company Secretary on 10 December 2020. Guy has extensive experience in senior finance positions at several publicly listed and privately held technology companies. His previous roles include that of CFO at Imagination Technologies Group plc, Advanced Computer Software Group plc, Quixant plc, Metapack Limited and Bighand Limited, Group Finance Director at Alterian plc, Morse plc and Kewill plc. Guy is currently a Non-Executive Director and Chair of the Audit Committee at Eckoh plc. Guy is a Fellow of the Institute of Chartered Accountants in England and Wales.

Helen Sachdev
Independent Non-Executive Director

Appointment to the Board
April 2020

Committee membership
A N R

Key areas of prior experience
Helen Sachdev is a founding Director of the B2B coaching practice WOMBA (Work, Me and the Baby). Helen brings a wealth of experience to Wilmington following a successful blue-chip executive career in retail at Sainsbury's and Tesco, in retail banking with Barclays and in residential property with Marsh & Parsons. She is a Non-Executive Director and Chair of the Loughborough Building Society and a Non-Executive Director of McKay Securities plc. She was Non-Executive director of Communisis plc from June 2018 until its acquisition in December 2018. She is an accredited Ashridge coach and a Fellow of the Chartered Institute of Management Accountants. Helen joined the Board on 29 April 2020 and was appointed Chair of the Remuneration Committee on 4 November 2020.

Paul Dollman
Independent Non-Executive Director

Appointment to the Board
September 2015

Committee membership
A N R

Key areas of prior experience
Paul Dollman is a Chartered Accountant and enjoyed a successful career in finance as the Group Finance Director of John Menzies plc. Current roles include Non-Executive Director of Air Partner plc, an aviation services business where he is the Audit Committee Chair, and Audit Committee Chair of Verastar, a private equity owned business which provides essential business services (telecoms, water and energy and insurance) to the small business market. He is also a member of the Competition Appeals Tribunal. Paul joined the Board on 16 September 2015 and was appointed Chair of the Audit Committee on 5 November 2015. He is the Senior Independent Director (SID).

William Macpherson
Independent Non-Executive Director

Appointment to the Board
February 2021

Committee membership
A N R

Key areas of prior experience
William Macpherson brings a wealth of experience to Wilmington following a successful executive career as CEO of a number of professional education and skills development organisations. He was CEO of QA between 2008 and 2019 during which time the company achieved very significant growth. Prior to that he was CEO of Kaplan International, The Financial Training Company and Wolters Kluwer Professional Training. He is a Non-Executive Director and Chair of Learning Curve Group Limited, Chair of Hatcham College Academy and a Non-Executive Director of the London Film School. William joined the Board on 11 February 2021 as Non-Executive Director and Director responsible for worker representation. He was appointed Chair of the Nomination Committee in July 2021.

Committee key A Audit Committee N Nomination Committee R Remuneration Committee Committee Chair

Read more on **page 44**

Corporate governance report

Demonstrating good governance

Martin Morgan
Non-Executive Chair

Chair's introduction

Responsibility for good governance lies with the Board. As a Board we are committed to maintaining the highest standards of corporate governance and believe that an effective, challenging and diverse Board is essential to enabling the Group to deliver its strategy and achieve long term value for its stakeholders. Further information on our strategy and business model can be found in the Strategic report on pages 11 to 15.

The Board is dedicated to setting the right tone at the top by demonstrating a set of values to our people that enable entrepreneurial and prudent business management, and in turn facilitate sustainable business growth for the Group and its stakeholders. We also recognise that a positive culture, supported by a robust governance structure, is critical to every successful organisation. In response to the materiality assessment that we performed during the year, we refined the core values that underpin our approach to sustainable business growth. These values are central to the way we work, and help us to embed a responsible business culture that delivers positive outcomes for all of our stakeholders. Full details of the materiality assessment are set out in the Sustainability report on page 21.

By promoting a responsible business culture we continue to demand the highest professional standards from all of our people all of the time, and to reinforce that we have a Company Standard which is readily accessible to all staff to support their day-to-day decision making. We have a zero tolerance approach to breaches of the Company Standard.

Compliance with the 2018 UK Corporate Governance Code

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

i) The Code introduces changes in relation to Directors' remuneration, a number of which we already incorporate in our Directors' Remuneration Policy such as the application of malus and clawback to variable remuneration. Due to the unprecedented circumstances caused by the Covid-19 pandemic, the Remuneration Committee did not consider it appropriate to make significant changes to the Directors' Remuneration Policy during the year ended 30 June 2020 as originally planned and introduced a one year 'roll forward' Policy instead. During the year ended 2021, we have reviewed the Policy in full and we are seeking shareholder approval for a new Policy at our Annual General Meeting in November 2021. As part of this review we have considered the way in which we address the updated Code. In particular, we have considered our approach to the application of a post-vesting holding period to PSP awards and the development of a formal policy for post-employment shareholding requirements. We have also reviewed Executive Director pension arrangements, which will bring the incumbent Executive Director pension arrangements into alignment with those applicable to the majority of the wider workforce. Full details of the consultation with shareholders and the terms of the new Policy can be found in the Directors' remuneration report on pages 50 to 71.

ii) The 2018 Code removes the small company exemption that the Company has previously taken to allow the Chair to be a member of the Audit Committee. The Board, advised by the Nomination Committee, currently believe it is appropriate that the Chair remains a member of the Audit Committee given the size of Wilmington plc and his experience. This decision will be assessed annually.

Composition and independence

The composition of the Board has recently undergone considerable change. Derek Carter and Nathalie Schwarz did not seek re-election at the 2020 Annual General Meeting after completion of their full nine year terms as Independent Non-Executive Directors. Nathalie was replaced by Helen Sachdev as Chair of the Remuneration Committee, and William Macpherson joined the Board as Non-Executive Director, Director responsible for worker representation, and Chair designate of the Nomination Committee on 11 February 2021.

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

The Board consisted of a majority of Independent Non-Executive Directors throughout the year. Biographical details of all the current Directors are set out on page 41.

Corporate governance report continued

Chair's introduction continued

Diversity

Wilmington believes that a diverse and inclusive culture is a key factor in driving its success, and we are committed to taking action to ensure our business demonstrates this belief. Full details on our actions to create an environment in which every member of our workforce helps to foster a culture of equality, diversity and inclusion are set out in the Sustainability report on pages 22 and 23.

The Board recognises that there are many indicators of diversity within the workforce, and as part of its commitment to embedding a truly diverse and inclusive culture at Wilmington is taking action to ensure the Group has robust data collection and analysis processes in place to facilitate comprehensive reporting of these indicators.

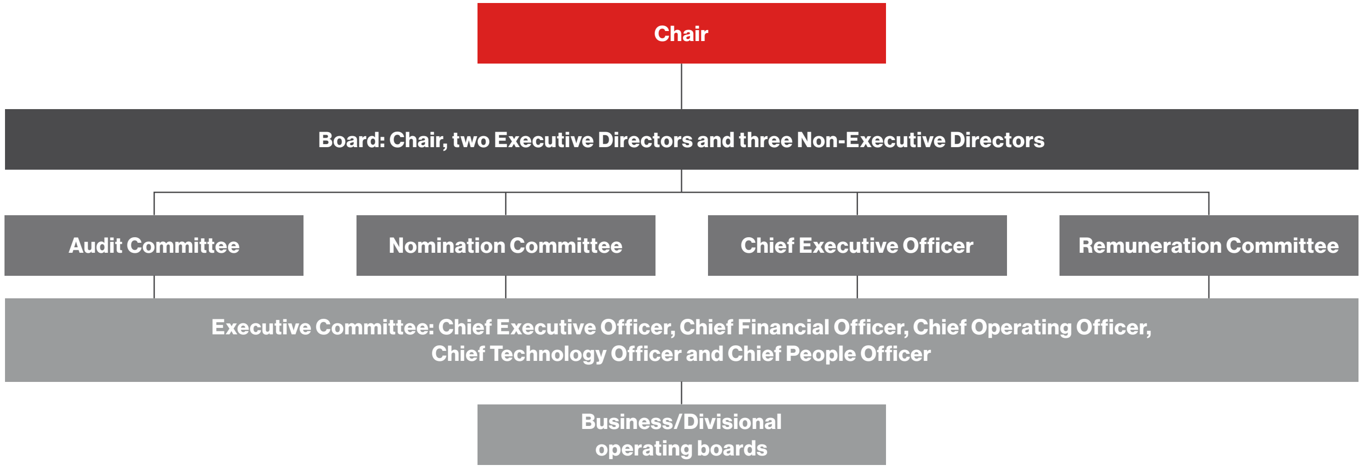
As at 30 June 2021, the Wilmington Board had one female Non-Executive Director, Helen Sachdev, representing 17% of Board membership. The Executive Committee membership (excluding those who sit on the Board) is split 33% female and 67% male (2020: 33% female and 67% male). The Senior Leadership Team (excluding those who sit on the Board or Executive Committee) is split 46% female and 54% male (2020: 50% female and 50% male). The Group's employees are split 62% female and 38% male (2020: 63% female and 37% male).

Stakeholder engagement (Section 172 Companies Act 2006)

The Board has always considered the potential impact of the Group's activities on its various stakeholders. The key stakeholders of the Group are set out in the Strategic report on page 16 which also includes information about how the Company engages with them and how the Directors, supported by the wider business, show regard for the matters set out under Section 172 of the Companies Act 2006. The Board believes that the Company can only be successful when the interests of these stakeholders are considered, and reflected accordingly in the Company's decision-making processes and strategic objectives.

The Board regards it as important to maintain an active dialogue with our shareholders. Further details regarding engagement with shareholders are set out on page 16. The Board receives regular reports from the Executives, the Chair and from advisors on feedback from shareholder meetings.

Governance framework

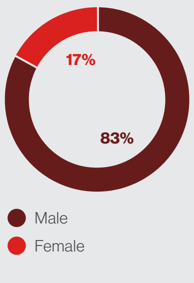


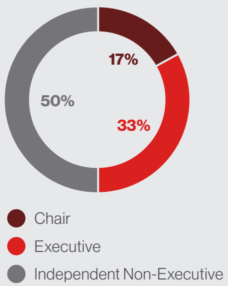
Corporate governance report continued

Length of tenure of Directors (years)

Number of complete years of service as a Director at 1 July 2021:

Balance of Directors





The Directors

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

Chair
Martin Morgan

Executive Directors
Mark Milner
Guy Millward

Independent Non-Executive Directors
Paul Dollman (Senior Independent Director)
Helen Sachdev
William Macpherson

Leadership

The Board

The Company is controlled through the Board of Directors which, at 30 June 2021, comprised a Chair, two Executives and three Non-Executive Directors. Short biographies of each Director are set out on page 41. The Board focusses on the formulation of strategy, governance and the establishment of policies, stewardship of resources and review of business performance.

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

The Board meets as often as necessary to discharge its duties effectively. In the financial year ended 30 June 2021, eight main Board meetings were scheduled and the Directors' attendance record is set out on page 45.

The Board has three formally constituted Committees, the Audit Committee, the Remuneration Committee and the Nomination Committee, each of which operates with defined terms of reference. The terms of reference of the three Committees are available on the Company's website www.wilmingtonplc.com. The Audit Committee met two times during the year, while the Nomination Committee met three times, and the Remuneration Committee met four times.

There is an Executive Committee that is responsible for the day-to-day management of the Company's business within a framework of delegated responsibilities. It is chaired by the Chief Executive Officer and includes the Chief Financial Officer, Chief Operating Officer, Chief Technology Officer, and Chief People Officer.

Chair and Chief Executive Officer

The roles of the Chair and the Chief Executive Officer are held by separate individuals and the Board has clearly defined their responsibilities.

The Chair is primarily responsible for the effective working of the Board, ensuring that each Director, including the Non-Executive Directors, is able to make an effective contribution and provide constructive comments on the business. The Chief Executive Officer has responsibility for all operational matters which includes the implementation of Group strategy and policies approved by the Board.

Non-Executive Directors

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

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

Senior Independent Director

Paul Dollman is the Senior Independent Director ('SID'). His role as SID includes:

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

Company Secretary

Guy Millward is the Company Secretary in addition to his role as an Executive Director. He is supported by the Group Head of Legal who operates as Assistant Company Secretary. In his role as Company Secretary, he supports the Board in its operation and ensures that Board processes are followed and good corporate governance standards are maintained. All Directors have access to the advice and services of the Company Secretary. The Board recognise the potential conflict in combining the roles of Chief Financial Officer and Company Secretary, but believe it is appropriate for a Group of Wilmington's size given the other support available to the Directors.

Corporate governance report continued

Effectiveness

Meetings

The Board has a formal schedule of matters specifically reserved to it for decision which it reviews periodically. This schedule includes approval of acquisitions, disposals and items of major capital expenditure. The Board also reviews the Group's Risk Register, wider risk assessment and viability review. At each Board meeting the Chief Executive Officer and Chief Financial Officer provide a review of the business and its performance, together with strategic issues arising. The Non-Executive Directors may meet separately from the Executive Directors usually either before or after Board meetings, to discuss relevant matters. In the year the range of subjects discussed by the Board included:

- the strategy of the Group in response to the impact of Covid-19;
- the Group's financial results and key business developments including the recovery plans for the UK Healthcare businesses;
- progress on the ongoing strategic reviews;
- the identification and appointment of the new Non-Executive Director and Chief Financial Officer;
- the Group's debt and capital structure including the arrangements for extending the debt facilities;
- dividend policy;
- regulatory and governance issues;
- the development of the Group's people including a six monthly talent review;
- the Group's Risk Register; and
- insurance policy and cover.

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

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

Attendance table

	Main Board meetings attended	Main Board meetings eligible to attend
Martin Morgan (Chair)	8	8
Mark Milner (Chief Executive Officer)	8	8
Guy Millward (Chief Financial Officer)	6	6
Richard Amos (Chief Financial Officer)*	4	4
Helen Sachdev (Non-Executive)	8	8
Paul Dollman (Non-Executive)	8	8
William Macpherson (Non-Executive)	2	2
Derek Carter (Non-Executive)*	2	2
Nathalie Schwarz (Non-Executive)*	2	2

* Richard Amos left the Company on 10 December 2020, and both Derek Carter and Nathalie Schwarz stood down from the Board on 4 November 2020.

Information flow

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

Time commitment

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

Induction and professional development

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

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

Access to independent advice

Any Director who considers it necessary or appropriate may take independent, professional advice at the Company's expense. None of the Directors sought such advice in the year.

Board evaluation and performance review

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

The Board evaluation was led by the Chair. He conducted one-to-one interviews with each of the Directors, and then reported to the Nomination Committee where his findings were considered. The review concluded that the Board, its sub-committees, and each of the Directors continued to be effective. The Board noted that its diversity did not fully reflect the position across the Group and resolved to consider this when making new appointments. It however noted that it had considered this during the recent processes for executive appointments without success.

Corporate governance report continued

Effectiveness continued

Nomination Committee

The Nomination Committee and the Board seek to maintain an appropriate balance between the Executive and Non-Executive Directors. The Committee was chaired by the Chair as Interim Chair for a short period of time between Derek Carter stepping down from the Board and William Macpherson joining and settling-in. The Committee comprises all the Non-Executive Directors, including the Chair. It has full responsibility for reviewing the Board structure and for interviewing and nominating candidates to serve on the Board as well as reviewing senior executive development. Suitable candidates, once nominated, meet with the Chair and the Chief Executive Officer. The candidates are then put forward for consideration and appointment by the Board as a whole. The Committee has access to external professional advice at the Company's expense as and when required.

The main roles and responsibilities of the Nomination Committee are set out in written terms of reference which are available on the Company's website, www.wilmingtonplc.com/investors/corporate-governance/roles-board. Details of the Nomination Committee's activities can be found in the Nomination Committee report on page 49.

Audit Committee

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

The main roles and responsibilities of the Audit Committee are set out in written terms of reference which are available on the Company's website, www.wilmingtonplc.com/investors/corporate-governance/roles-board. Details of the Audit Committee's policies and activities can be found in the Audit Committee report on pages 47 and 48.

Remuneration Committee

The Remuneration Committee is chaired by Helen Sachdev and consists of all the Non-Executive Directors including the Chair. It is responsible for recommending to the Board the framework and policy for Executive Directors' remuneration and for setting the remuneration of the Chair, Executive Directors and senior management. Given the small size of the Board, the Committee recognises the potential for conflicts of interest, and has taken appropriate measures to minimise the risk. The Committee meets at least twice a year, and takes advice from the Chief Executive Officer and external advisors as appropriate. In carrying out its work, the Board itself determines the remuneration of the Non-Executive Directors.

The Committee has the power to seek external advice, and to appoint consultants as and when required in respect of the remuneration of Executive Directors.

The main roles and responsibilities of the Remuneration Committee are set out in written terms of reference which are available on the Company's website, www.wilmingtonplc.com/investors/corporate-governance/roles-board. Further details of the Group's policies on remuneration and service contracts can be found in the Directors' remuneration report on pages 50 to 71.

Risk management and internal controls

The Board maintains an ongoing process for identifying, evaluating and managing significant risks faced by the Group. The Board regularly reviews this process, which has been in operation from the start of the year to the date of approval of this report. Further details on the key features of the risk management and internal controls can be found in the section on risks and uncertainties facing the business on pages 31 to 37.

Relations with shareholders

Dialogue with institutional shareholders

The Directors seek to build on a mutual understanding of objectives between the Company and its institutional shareholders by means of a programme of meetings with major shareholders, fund managers and analysts each year. The Company also makes presentations to analysts and fund managers following publication of its half year and full year results. Copies of the presentations are available on the Company's website, www.wilmingtonplc.com/investors/reports-and-presentations. The Board regularly receives updates on investor relations matters.

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

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

Constructive use of the Annual General Meeting

The Annual General Meeting will be held on 3 November 2021 and a separate notice convening the meeting is being sent out with this report and financial statements. Details of resolutions to be proposed and an explanation of the items of special business can be found in the circular that accompanies the notice convening the meeting. Separate votes are held for each proposed resolution.

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

Substantial shareholdings

As at 3 September 2021, the Company is aware of the following interests amounting to 3.0% or more in the Company's issued ordinary share capital:

	Number of ordinary shares	%
Aberforth Partners LLP	14,892,624	17.00%
Chelverton Asset Management	6,700,000	7.65%
The Wellcome Trust Limited	5,682,400	6.49%
Gresham House Asset Management Limited	5,626,167	6.42%
Burgundy Asset Management Limited	4,542,132	5.18%
Ameriprise Financial, Inc.	4,135,755	4.72%
NFU Mutual Insurance Society Limited	3,682,512	4.20%
Artemis Investment Management	3,653,652	4.17%
Odyssean Investment Trust plc	2,634,720	3.01%

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

Martin Morgan
Chair
17 September 2021

Audit Committee report

Supporting integrity and compliance

Paul Dollman
Chair of the Audit Committee

The Committee held two meetings in the year ended 30 June 2021 and members' attendance at meetings is set out below:

	Committee meetings attended	Committee meetings eligible to attend
Paul Dollman (Chair)	2	2
Martin Morgan	2	2
Helen Sachdev	2	2
William Macpherson	1	1
Derek Carter	1	1
Nathalie Schwarz	1	1

Dear Shareholder

I am pleased to present this year's Audit Committee report. The Committee supports the Board in fulfilling its responsibilities in respect of monitoring the integrity of the Group's reporting process and adherence to the Group's accounting policies and procedures as well as ensuring that risks are carefully identified and assessed; and that sound systems of risk management and internal control are implemented. The Group has demonstrated its ability to adapt to the continued impact of Covid-19 effectively, and the Committee will maintain the necessary flexibility to best support the Group's stakeholders accordingly.

Committee membership and meetings

The Audit Committee ('the Committee') was in place throughout the financial year and is chaired by Paul Dollman. The Board considers that Paul has the appropriate financial expertise, as required by Principle C3.1 of the UK Corporate Governance Code ('UK Code'), as he is a Chartered Accountant, has held executive roles in financial positions in other companies, including being Group Finance Director of a FTSE 250 company, and chairs another company's audit committee. This year, we were pleased to welcome William Macpherson as a member of the Committee in February 2021 on his appointment to the Board. Derek Carter and Nathalie Schwarz both stood down from the Board at the conclusion of the AGM on 4 November 2020 after completing their full nine year terms as Independent Non Executive Directors, and their committee membership ended on the same date.

The UK Code states that the Company Chair should not be a member of the Audit Committee. However the Committee, in conjunction with the Board, believes that given the size of Wilmington plc and Martin Morgan's extensive, relevant experience that it is appropriate that he remain a member. This decision will be assessed annually.

The Committee meets at least twice during the year and as and when required. Representatives of the external auditors attend each meeting along with the Chief Executive Officer, Chief Financial Officer, the Group Financial Controller and the Director of Group Finance, unless there is a conflict of interest. Other relevant people from the business are also invited to attend certain meetings or parts of meetings to provide a deeper level of insight into certain key issues and developments. Once a year, the Committee meets separately with the external auditors and with management without the other being present.

Key activities

The key activities of the Audit Committee are as follows:

Financial reporting

- Monitoring the integrity of the annual and interim financial statements, the accompanying reports to shareholders and corporate governance statements including any significant financial reporting judgments contained in them.
- Reporting to the Board the Company's assessment of any new or amended accounting standards.
- Providing advice to the Board on whether the Annual Report and financial statements, when taken as a whole, is fair, balanced and understandable and provides all the necessary information for shareholders to assess the Company's performance, business model and strategy.

Risk management and internal controls

- In conjunction with the Board reviewing and monitoring the effectiveness of the Group's internal control and risk-management systems, including reviewing the process for identifying, assessing and reporting all key risks. See the risks and uncertainties facing the business on pages 31 to 37.
- To oversee the whistle blowing provisions of the Group to ensure that they are operating effectively.

External audit

- To make recommendations to the Board in relation to the appointment and removal of the external auditors and to approve their remuneration and terms of engagement.
- To review and monitor the external auditors' independence, objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.
- To develop and implement policy on the engagement of the external auditors to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm, and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

Internal audit

- To annually assess the internal audit requirements of the Company.
- To monitor and review the effectiveness of the Internal Audit function.

Audit Committee report continued

Activities of the Committee in relation to the year ended 30 June 2021

- Assessed and reported to the Board on whether the Annual Report and Accounts were fair, balanced and understandable.
- Reviewed and discussed with the external auditors the key accounting considerations and judgments reflected in the Group's results for the six month period ended 31 December 2020.
- Reviewed and agreed the external auditors' audit plan in advance of their audit for the year ended 30 June 2021.
- Discussed the report received from the external auditors regarding their audit in respect of the year ended 30 June 2021 which included comments on their findings on internal control and a statement on their independence and objectivity.
- Considered key accounting matters and new accounting standards with particular focus on the significant areas below.
- Reviewed the Group's whistle blowing policy, ensuring that it met FCA rules and good standards of corporate governance.
- Reviewed internal audit reports.
- Reviewed, together with the Board, the Risk Assessment and Going concern and viability review.

Key discussions in the year

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

Key financial and IT controls

The Committee reviewed the adequacy and appropriateness of the Group's system of controls and its effectiveness with relevant input from the Group's external auditors. The Committee has continued to monitor the Group's emerging risks in relation to technology and the suitability of its technology controls in response to this.

Goodwill and intangible asset impairment

The Committee received reports from management on the carrying value of goodwill and intangible assets, taking into account the expected ongoing impact of Covid-19 on these values. The Committee reviewed management's recommendations, which were also considered by the external auditors, including evaluation of the appropriateness of the assumptions applied in determining asset carrying values and the appropriateness of the identification of cash generating units. After review, the Committee was satisfied with the assumptions and judgments applied by management and concluded that the impairment recorded for the UK Healthcare cash generating unit was required. The Committee was satisfied that no other impairment of carrying values was required.

Revenue recognition

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

External audit

This year Grant Thornton UK LLP completed their third year as the Group's external auditors. The Audit Committee is responsible for reviewing the independence and objectivity of the external auditors and ensuring this is safeguarded notwithstanding any provision of any other services to the Group.

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

External auditors effectiveness

The Audit Committee carries out each year a full evaluation of the external auditors as to its complete independence from the Group and relevant officers of the Group in all material respects and that it is adequately resourced and technically capable to deliver an objective audit to shareholders. Based on this review the Audit Committee recommends to the Board each year the continuation, or removal and replacement, of the external auditors.

The external auditors' report to the Directors and the Audit Committee confirming their independence in accordance with Auditing Standards. In addition to the steps taken by the Board to safeguard auditor objectivity, the Audit Practice Board Ethical Standard 3 requires audit partner rotation every five years for listed companies.

Non-audit services

The Committee considers that certain non-audit services should be provided by the external auditors, because its existing knowledge of the business makes this the most efficient and effective way for non-audit services to be carried out. The Audit Committee give careful consideration before appointing the auditors to provide other services. The Group regularly use other providers to ensure that independence and full value for money are achieved. Other services are generally limited to work that is closely related to the annual audit or where the work is of such a nature that a detailed understanding of the business is necessary.

In the year the external auditors performed non-audit services totalling £15k which represents 5% of the audit fee. These services were in relation to the interim review. The Audit Committee approved the appointment of Grant Thornton on the basis that it was best placed to provide the services and there was no conflict of interest with its role as external auditors.

Internal audit

The Group operates a limited internal audit process which performs relevant reviews as part of a programme approved by the Audit Committee. The Committee considers any issues or risks arising from internal audit in order that appropriate actions can be undertaken for their satisfactory resolution.

Approved on behalf of the Audit Committee by:

Paul Dollman
Chair of the Audit Committee
17 September 2021

Nomination Committee report

Maintaining a strong Board

Martin Morgan
Interim Chair of the Nomination Committee

The Committee met three times during the year to 30 June 2021 and members' attendance at meetings is set out below:

	Committee meetings attended	Committee meetings eligible to attend
Martin Morgan (Interim Chair)	3	3
Helen Sachdev	3	3
Paul Dollman	3	3
William Macpherson	1	1
Derek Carter	1	1
Nathalie Schwarz	1	1

Dear Shareholder

I am pleased to present the Nomination Committee report for the year ended 30 June 2021. This year we appointed William Macpherson to replace Derek Carter as Chair of the Nomination Committee with effect from July 2021 after an interim period during which I assumed the role.

Committee membership and meetings

The Nomination Committee (the 'Committee') is comprised of the Company Chair and three Independent Non-Executive Directors.

Key responsibilities

The key responsibilities of the Committee are to:

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

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

The key matters considered at these meetings were:

i) Board composition

Chief Financial Officer

Richard Amos announced his intention to stand down as Chief Financial Officer. Richard performed an orderly hand over with his successor, Guy Millward, who joined the Board as an Executive Director and Chief Financial Officer Designate on 5 November 2020. Richard stood down as Chief Financial Officer and as a Director of the Board on 10 December 2020. Guy Millward succeeded Richard Amos as Chief Financial Officer and Company Secretary on 10 December 2020.

Nomination Committee Chair

Derek Carter, who was a Non-Executive Director and Chair of the Nomination Committee since December 2011, decided not to seek re-election at the Company's last Annual General Meeting in November 2020 in accordance with best practice under the UK Corporate Governance Code. He has been succeeded by William Macpherson, who joined as a Non-Executive Director of the Board on 11 February 2021.

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

ii) Board evaluation

Details of the Board and sub-committee evaluation process undertaken in this year are included in the Governance review on page 45. As part of that process the Non-Executive Directors met without the Company Chair present to evaluate his performance. The review of the Company Chair's effectiveness was led by the SID. The review concluded that the Company Chair had been highly effective in his role.

iii) Succession planning

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

iv) Other senior management representation

The Committee maintained oversight over various senior management changes that occurred across the Group over the year. Regular updates were received from the executives on the progress of the searches and the plans for dealing with reporting line changes that resulted from certain of the departures.

v) Worker representation

William Macpherson has been appointed as the Director responsible for worker representation.

Approved on behalf of the Nomination Committee by:

Martin Morgan
Interim Chair of the Nomination Committee
17 September 2021

Directors' remuneration report

Implementing effective policy

Helen Sachdev
Chair of the Remuneration Committee

	Committee meetings attended	Committee meetings eligible to attend
Helen Sachdev (Committee Chair)	4	4
Martin Morgan	4	4
Paul Dollman	4	4
William Macpherson	2	2

Remuneration Committee Chair's Annual Statement

Dear Shareholder

On behalf of the Committee I am pleased to share with you our Directors' remuneration report for the year ended 30 June 2021, our first such report since my appointment as Chair of the Committee on 4 November 2020. I would like to thank my predecessor Nathalie Schwarz for her contribution as Chair of the Committee until my appointment.

In line with the applicable regulations, there are two sections of this report following my statement: the Directors' Remuneration Policy and the Annual Report on Remuneration.

Directors' Remuneration Policy

We explained in the Company's Directors' remuneration report last year that the circumstances of the Covid-19 pandemic meant that we would seek approval for a one year 'roll forward' of our Policy at the 2020 AGM, with the intention to undertake a more significant and detailed review during the year just ended. Following that review, we consulted with shareholders in relation to our proposals for a new Policy. Those proposals were formulated to ensure the Policy continues to be aligned to our strategy, whilst considering best practice, governance and the wider social context. We welcomed the opportunity to explain our approach to shareholders and were grateful for the engagement we received and positive feedback to our proposals. We finalised our approach having regard to the feedback received, and I have set out further information in relation to the Policy below. The Policy will be subject to a binding shareholder vote at the 2021 AGM and, if approved, will apply with effect from the close of that meeting. Our intention is that the new Policy will apply for three years and that, in line with the statutory timetable, we will seek approval for a new Policy at the 2024 AGM.

Annual Report on Remuneration

The Annual Report on Remuneration provides details of the amounts earned in respect of the year ended 30 June 2021 and will be subject to an advisory vote at the 2021 AGM.

Business Context and Review of Financial Year ended 30 June 2021

As detailed in our Strategic report, the Group achieved 3% organic revenue growth in the year and 27% growth in adjusted profit before tax, despite a full year of Covid-19 related disruption. This strong performance reflects continued demand for the core information and data products, in combination with the successful digital transformation of training and education solutions. The Group's increased profitability demonstrates a clear focus on cost management, in addition to efficiencies realised through the move to virtual solutions. The impact of strong trading on cash was enhanced by effective working capital management and a small product disposal, resulting in a £10.5m net debt reduction to £17.2m (excluding lease liabilities) at 30 June 2021. We announced in February that our resilient performance and the opportunities we saw gave us confidence to repay the £0.2m of government support we had received in FY21 and to return to paying a dividend. A final dividend of 3.9p per share (2020: nil) will be proposed at the AGM, giving a full year dividend of 6.0p.

Directors' remuneration report continued

Business Context and Review of Financial Year ended 30 June 2021 continued

Annual bonus for the year ended 30 June 2021

For the year ended 30 June 2021, each of the Executive Directors was eligible to earn a bonus of up to 100% of salary, with the amounts earned pro-rated to reflect the period of service in the year for our new Chief Financial Officer Guy Millward and former Chief Financial Officer Richard Amos.

We explained in last year's report that having regard to the exceptional circumstances related to the Covid-19 pandemic, we were proposing to base part of the financial measures on performance over the first half of the year and part on performance over the second half of the year, but with any bonus earned being subject to the Committee's assessment of Wilmington's holistic financial performance across the full year.

Details of the performance measures and achievements against them are set out on page 66. Reflecting the strong performance of the business in the year, the maximum financial targets for both Adjusted Profit and Free Cash Flow were exceeded, and the Committee assessed that all strategic measures were achieved. Accordingly, bonuses were earned at maximum. In line with the Policy approved in 2020, the Committee retains discretion to amend the bonus out-turn if the formulaic outputs do not reflect its assessment of overall performance. The Committee carefully considered the bonus out-turns in the context of overall performance including, having regard to the structure of the bonus adopted for the year, a holistic assessment of performance over the whole year when considering the achievement of the measures related to half year periods; having regard to the strong performance shown by organic revenue growth and increased profitability, the Committee considered that the bonuses earned were appropriate.

PSP awards vesting in respect of performance to 30 June 2021

Although neither of our current Executive Directors participates in a Performance Share Plan ('PSP') award which vests by reference to performance in the year just ended, Richard Amos, the former Chief Financial Officer does. The award was granted in September 2018 and, as noted, below, Mr Amos retained a time pro-rated portion of that award when he left the business.

The award was subject to performance measures based on EPS, ROE and TSR. The threshold levels of EPS and TSR performance were not achieved and those elements of the award lapsed. The ROE performance measure was achieved and that element of the award vested. Details of the performance measures and out-turn are set out on page 66. The Committee considered that the level of vesting is reflective of the overall performance of the Group and appropriate. Mr Amos will be required to retain at least 50% of the shares he acquires (after sales to cover any tax liabilities) for two years after vesting.

Executive Director Changes

Since the 'roll forward' Policy was approved at the 2020 AGM, Guy Millward has been appointed as Chief Financial Officer following Richard Amos' decision to move away from a full-time executive role. Guy joined the business and the Board on 5 November and was appointed Chief Financial Officer when Richard left the Board on 10 December. Guy's remuneration and the arrangements relating to Richard's remuneration on his leaving were determined in accordance with the Policy approved at the 2020 AGM, and are summarised below.

Guy Millward

Guy's base salary was set at £261,000 (in line with Richard's salary). His pension / cash in lieu is in line with the wider workforce arrangements (currently 5% of salary, a reduction on the amount payable to Richard). Guy's bonus opportunity is up to 100% of salary (with time pro-rating applied to the bonus earned for the year just ended). His PSP award for the year just ended was capped at 37.5% of salary (reflecting his part year service). His service agreement includes a commitment that his PSP award for the year ending 30 June 2022 will be at 100% of base salary; further information in relation to the approach to PSP awards for the current year is set out below.

Richard Amos

Richard received his remuneration up to the date of his departure and a payment in lieu of notice for the balance of his notice period, details of which are set out on page 63. Having regard to his leaving reflecting his decision to move away from a full-time executive role and in line with the current Policy, Richard was treated as a 'good leaver' for most of his incentive awards. He was, therefore, eligible to earn a pro-rated bonus for the year just ended, details of which are disclosed above and on page 65. Similarly, he retained the benefit of his September 2018 and September 2019 PSP awards, on a pro-rated basis, with further information set out on page 68. However, his PSP award granted in September 2020 lapsed on his cessation of employment.

Directors' remuneration report continued

Summary of our new Policy, rationale and implementation for the financial year 2021/2022

The Committee's review of the Policy approved at the 2020 AGM and our overall remuneration framework showed that each continued to be fit for purpose. Our approach, therefore, enshrines corporate governance changes previously identified, provides further alignment to best practice and ensures that we continue to reward the delivery of our long term strategy and key strategic goals and maintain the strong alignment of Director remuneration and shareholder interests, including via an increase in the incentive opportunity.

The table below outlines the main differences between the Policy approved at the 2020 AGM and the new Policy, and how the new Policy will be implemented for the financial year 2021/2022.

	2020 Policy	New Policy and financial year 2021/2022 implementation
Base salary	Set at a market competitive level with any increase normally in line with the level of increase awarded to other employees in the Group.	No changes to the overall Policy approach are proposed. Mark Milner was appointed in June 2019 with a salary of £350,000, which has not been increased since his appointment. The Board has been delighted with Mark's performance and contribution since he joined the business and his salary has been increased by 5% with effect from 1 July 2021 to £367,500. This increase is within the range of increases given to high performing talent who have demonstrated strong progression in role. Subject to continued performance, it is proposed that an increase of a similar amount will be made with effect from 1 July 2022. Guy Millward's salary has been increased by 2% to £266,220 with effect from 1 July 2021, in line with the wider workforce increase.
Benefits	Benefits are provided in line with market practice.	No significant changes.
Pension	For Executive Directors appointed before the 2020 AGM (Mark Milner): 10% of salary. For Executive Directors appointed after the 2020 AGM (Guy Millward): an arrangement aligned with those available to the majority of the wider workforce.	Guy Millward's pension arrangements will continue to be aligned with the pension arrangement applicable to the majority of the wider workforce in the UK. Mark Milner has agreed to a reduction in his pension so that it will be aligned with the wider workforce by the end of 2022 (i.e. with effect from 1 January 2023). The timetable for this reduction was determined having regard to Investment Association guidance and recognising that the reduction is both significant and voluntary.
Annual bonus	Up to 100% of salary. The whole of any bonus earned is paid in cash. There is flexibility to determine performance measures, provided that the majority of the bonus is based on financial measures.	Reflecting our continued growth and ambitions in the future the maximum opportunity has been increased to 125% of salary. This recognises our desire to ensure that the overall package is competitive, but with the increase implemented via variable remuneration in order that it is subject to performance. The increase in the opportunity is balanced by a deferral of 20% of any bonus earned (not just any bonus earned over 100% of salary) into shares for a period of two years so that any increased reward is aligned with the experience of shareholders over the longer term. Performance targets will be set having regard to the increase in opportunity, to ensure that the performance required is commensurate with the increased opportunity. For financial year 2021/2022, a bonus opportunity of 125% of salary will be awarded, with vesting based on: Adjusted PBT (as regards 65% of the opportunity); key strategic and operational KPIs and measures (25% of the opportunity); and specified ESG metrics (10% of the opportunity). The modest 35% weighting proposed for the operational KPIs and ESG measures reflects the business's continued primary focus on delivering profitable growth, but also a recognition of the importance of aligning reward with the successful execution and implementation of the refreshed strategy and the importance, both internally and externally, of ESG considerations – the Committee feels it is important that success in this area is rewarded as this is aligned with value creation for shareholders in the long term. In connection with the introduction of bonus deferral, shareholder approval will be sought at the 2021 AGM for a new Deferred Bonus Plan.

Directors' remuneration report continued

Summary of our new Policy, rationale and implementation for the financial year 2021/2022 continued

	2020 Policy	New Policy and financial year 2021/2022 implementation
Performance Share Plan ('PSP')	Annual awards of up to 150% of salary, but capped at 100% of salary for 2020/2021. Vesting based on performance normally assessed over three years. Awards granted since 2020 are subject to a requirement that all vested shares are required to be held for a further two year period (other than shares sold to cover tax liabilities). There is flexibility to determine performance measures, and 25% vests for threshold performance. Dividend equivalents can be paid in respect of dividends over the period to vesting.	No change to the maximum of 150% of salary. Awards in respect of the financial year 2021/2022 will be maintained at the level of 100% of salary for Mark Milner and increased to 100% of salary for Guy Millward in line with the commitment made to him on his appointment. Our performance share plan awards have previously been based on EPS, ROE and relative TSR with equal weightings, although the awards for FY21 were based on EPS (40%), relative TSR (40%) and Organic Revenue Growth (20%). Following a rapid transition to becoming a digital first enterprise, the business is at an inflection point as we continue to focus on sustainable growth by investing in our business and actively managing a streamlined and simplified portfolio. With that in mind, PSP awards for financial year 2021/2022 will be based on adjusted EPS (65% of the award) and organic revenue growth (35% of the award). The details of the targets are being finalised and will be included in the announcement made when the awards are granted, which we expect to be before the 2021 AGM. During the consultation, some shareholders expressed a desire that we retain relative TSR or a return measure, either as a principal performance measure or as an underpin. It is the strong view of the Committee that TSR is not an appropriate measure for Wilmington, given the challenges of selecting an appropriate and relevant peer group and ensuring the out-turns reflect the underlying performance of the business. The simplification of the PSP measures is aligned to the refreshed strategy, with EPS and revenue growth key performance indicators. The right decisions for the business in the interests of shareholders and long term value creation (e.g. with regard to the simplification of the portfolio) may reduce relative TSR in the short term, such that inclusion of a relative TSR measure may create a dis-incentive for participants. Conversely, delivery of strong performance against EPS and revenue targets should be reflected in the share price and ultimately in return to shareholders. We are aware from the feedback from shareholders that they want us to ensure that M&A activity will not take place at "any cost" and that the best use is made of capital. The 2020 Policy already included a requirement that ROCE and quality of earnings be taken into account in assessing the exercise of discretion on variable pay. Having regard to the feedback received during the consultation, this has been retained and enhanced in the new Policy, as referred to below. Longer term alignment with shareholders is also introduced by the doubling of the in-service shareholding guideline, introduction of the post-employment shareholding guideline (each as referred to below), the introduction of bonus deferral and the continued application of the two year holding period for the PSP. Subject to continued strong performance of the business, the Committee intends to increase the CEO's award from FY23 to 125% of salary.
Shareholding guidelines	In service shareholding guideline of 100% of salary. 50% of the after tax shares acquired pursuant to the PSP must be retained until this shareholding is required. Post-employment shareholding provisions applied via the PSP's holding period and leaver provisions.	The in-service guideline of 100% of salary has been doubled to 200% of salary. The current requirement that 50% of shares acquired (after tax) pursuant to the PSP must be retained until the guideline is achieved will be extended to include a requirement also to retain 50% of shares (after tax) acquired pursuant to deferred bonus arrangements. In last year's report we confirmed that we would review our approach to post-employment shareholding requirements. The new Policy requires that Executive Directors retain, for one year after cessation, shares with a value equal to 100% of salary (or if less all of the shares held at cessation), with a requirement to retain shares with a value of 50% of salary for a further year after employment. Shares will be subject to this requirement if they are acquired from PSP or deferred bonus awards granted in FY22 or future years. The post-employment position is enhanced by the addition of deferral to the annual bonus and the continued application of a two year post-vesting holding period to the performance share plan.
Discretion	Discretion to override the formulaic out-turn for bonus and PSP if: (1) it does not reflect overall business or individual performance; (2) it is inappropriate in the context of unforeseen or unexpected circumstances; or (3) for any other reason considered appropriate by the Committee. As part of this assessment, the Committee will also take into account ROCE and quality of earnings.	The existing discretion has been retained and, having regard to feedback received from shareholders, enhanced by the setting of a specific ROCE underpin in respect of out-turn for the FY22 PSP awards, requiring average ROCE over the performance period to be at least 10%. It is anticipated that a similar underpin will apply to future PSP awards.

Directors' remuneration report continued

Summary of our new Policy, rationale and implementation for the financial year 2021/2022 continued

Other minor changes have been made in the new Policy compared to the 2020 Policy to reflect the principal changes referred to above or to aid its implementation.

The Committee strongly believes that the proposed modest increases in base salary alongside the increase in the incentive quantum, on a phased basis, further align executive and shareholder interests. This ensures a greater proportion of the overall package is performance related and delivered in equity in line with our growth ambitions. Increases in the maximum variable pay opportunities will require additional stretch in the performance delivered so that more pay is delivered only for the achievement of more stretching performance targets.

When determining the new Policy and its implementation, the Committee considered clarity, simplicity, risk, predictability, proportionality and alignment to culture as set out in the Corporate Governance Code. We operate simple variable pay arrangements, which are subject to clear performance measures aligned with the Group's strategy and the interests of all stakeholders. The application of recovery provisions (malus and clawback) enables the Committee to have appropriate regard to risk considerations. In addition, the shareholding guidelines both during and after employment, bonus deferral, and the two year holding period in the PSP, further align the interests of our Executive Directors with the long term interests of the Company and its stakeholders. As part of our culture, in determining the policy, the Committee was clear that it should drive the right behaviours, reflect the Group values and support the Group's purpose and strategy. The Committee takes into account the wider workforce's remuneration when determining the Executive Directors' remuneration, including the range of wider workforce base salary increases when determining Executive Director salary increases. The Committee also reviews and approves the pay increases and PSP awards for the Executive Committee and other members of senior management. The Company has in place employee feedback systems and employee forums, via which the wider workforce's views on remuneration are fed back to the Committee.

The Committee believes that the new Policy and its proposed implementation are in the best interests of our shareholders to maintain a fairly rewarded and highly motivated executive team and I hope that you will support the resolutions in relation to the Policy, Annual Report and Remuneration and Deferred Bonus Plan at the AGM.

Helen Sachdev
Chair of the Remuneration Committee
17 September 2021

Directors' remuneration report continued

Directors' Remuneration Policy

As described in the statement from the Committee's Chair on pages 50 to 54 during the course of FY21 we undertook a comprehensive review of all aspects of the Directors' Remuneration Policy that was approved, on a 'roll forward' basis, at the 2020 Annual General Meeting.

This part of the remuneration report sets out the Company's Directors' Remuneration Policy determined following that review and a consultation with the Company's largest shareholders. Subject to shareholder approval at the 2021 Annual General Meeting, the Policy shall take binding effect from the close of that meeting. The Policy was determined independently by the Committee, taking into account comments received from shareholders.

The differences between this Policy and the Directors' Remuneration Policy approved at the Company's 2020 Annual General Meeting are summarised in the letter from the Chair of the Remuneration Committee on pages 50 to 54.

Base Salary	
Purpose and link to strategy	Core element of fixed remuneration set at a market competitive level to reflect the individual's role, experience and performance.
Operation	The Committee ordinarily reviews base salaries annually taking into account: • performance of the Group and pay conditions elsewhere in the workforce; • performance of the individual; • changes in position or responsibility; and • market competitiveness. The Committee periodically takes external advice to benchmark salaries by reference to Executives with similar positions in comparator organisations. In considering relevant benchmarking the Committee is also aware of the risk of an upward pay ratchet through placing undue emphasis on comparator pay surveys.
Opportunity	While there is no maximum salary, increases will normally be in line with the typical level of salary increase awarded (in percentage of salary terms) to other employees in the Group. Salary increases above this level may be awarded in appropriate circumstances, such as: • where an Executive Director has been promoted or has had a change in scope or responsibility; • a new Executive Director being moved to market positioning over time; • where there has been a significant change in market practice; and • where there has been a significant change in the size and/or complexity of the business. Such increases may be implemented over such time period as the Committee deems appropriate.
Performance metric	Although base salary is not subject to any formal performance condition, the individual's performance in role and overall Group performance is taken into account in determining any salary increase.

Directors' remuneration report continued

Directors' Remuneration Policy continued

Pension	
Purpose and link to strategy	Rewards sustained contribution and commitment to the Group. Provides an appropriate means of saving to deliver post-retirement income.
Operation	Executive Directors are eligible to participate in the defined contribution pension scheme. The Committee has the discretion to pay cash supplements in lieu some or all pension contributions in appropriate circumstances. Executive Directors are entitled to elect to sacrifice part of their salary and bonus into a personal pension scheme.
Opportunity	**Mark Milner** Until 31 December 2022, an employer contribution and/or cash supplement of 10% of salary. With effect from 1 January 2023, an employer contribution and/or cash supplement at a level not exceeding the level available to the majority of the wider workforce in the Executive Director's local market (currently 5% of salary). **Guy Millward and any Executive Director appointed in the future** An employer contribution and/or cash supplement at a level not exceeding the level available to the majority of the wider workforce in the Executive Director's local market (currently 5% of salary).
Performance metric	Not applicable.

Benefits	
Purpose and link to strategy	Set at a market competitive level with the aim to recruit, motivate and retain Directors of the calibre required.
Operation	Executive Directors receive benefits in line with market practice. These include a fully expensed car or car allowance and private medical cover (for the Executive Director and his or her family), death in service cover, and permanent health insurance. Executive Directors are eligible to participate in the Company's Save As You Earn ('SAYE') plan on the same terms as other qualifying employees. Other benefits may be provided based on individual circumstances and response to market pressures.
Opportunity	Whilst the Committee has not set an absolute maximum on the level of benefits Executive Directors may receive, the value of the benefit is set at a level which the Committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role and individual circumstances. The limit on participation in the SAYE plan and the discount applied in setting the exercise price will be in accordance with the applicable tax legislation and will be the same for all participating employees.
Performance metric	Not applicable.

Directors' remuneration report continued

Directors' Remuneration Policy continued

Bonus including Deferred Bonus Plan ('DBP')	
Purpose and link to strategy	Rewards the achievement of targets, which may include financial, operational and strategic targets, aligned with the Group strategy.
Operation	Targets are reviewed annually and any pay-out is determined by the Committee after the year end based on targets set for the relevant performance period. Targets will ordinarily be assessed over a full financial year. However, the Committee retains discretion to set targets which are assessed over part of a financial year in exceptional circumstances. If a target is assessed over part of a year only, no bonus will be paid until after the end of the full financial year and the amount of any bonus payable in respect of part year performance will be subject to the Committee's assessment of holistic performance across the full financial year. The Committee has discretion to amend the bonus out-turn if any formulaic output does not reflect its assessment of overall business or individual performance, is inappropriate in the context of unforeseen or unexpected circumstances, or for other reasons considered relevant by the Committee. As part of this assessment, the Committee will also take into account ROCE and quality of earnings. No bonus deferral will apply if the maximum bonus opportunity does not exceed 100% of salary. However, if the maximum bonus opportunity is more than 100% of salary, up to 20% of any bonus earned (not just the excess over 100% of salary) will be deferred into shares for a period of two years. The Committee retains discretion not to apply deferral where the amount otherwise deferred would be less than £5,000. Deferred bonus awards may take the form of nil-cost options, conditional awards of shares or such other form as has a similar economic effect. Additional shares may be delivered in respect of shares which vest under the DBP to reflect the value of dividends which would have been paid on those shares up to the date of vesting. The Committee shall determine the basis on which the value of such dividends shall be calculated, and may assume the reinvestment of dividends in the Company's shares on a cumulative basis. Any bonus opportunity may be reduced or cancelled before payment (i.e. a malus provision) or recovered (i.e. a clawback provision) in the period of two years after payment. The malus and clawback provisions may be applied in the event of a material misstatement of results, serious reputational damage to the Group, gross misconduct on the part of the Executive Director, error in assessing the award or vesting outcome, or corporate failure.
Opportunity	The maximum bonus is 125% of base salary.
Performance metric	Stretching targets are set each year reflecting the business priorities which underpin Group strategy and align to key performance indicators. The majority of the bonus opportunity will be determined by financial measures. The balance (if any) of the bonus opportunity will be determined by non-financial measures, based on strategic and/or operational KPIs. Vesting of the opportunity based on financial metrics will apply on a sliding scale up to 100% of maximum potential for this element of the bonus based on the satisfaction of performance conditions, with no more than 50% of the potential earned for achieving a target level of performance. Vesting of any opportunity based on non-financial metrics (where applicable) will apply on a scale between 0% and 100% based on the Committee's assessment of the extent to which non-financial performance metrics has been met. The level of vesting in respect of any metric is subject to the Committee's discretion to override formulaic out-turns.

Directors' remuneration report continued

Directors' Remuneration Policy continued

Performance share plan ('PSP')	
Purpose and link to strategy	Incentivises Executive Directors to achieve returns for shareholders over a longer timeframe.
Operation	Executive Directors may receive awards in the form of conditional awards of shares or options to acquire shares for nil or nominal cost. Vesting is dependent on the achievement of performance conditions normally over a period of three financial years. The Committee has discretion to amend the vesting out-turn if any formulaic output does not reflect its assessment of overall business or individual performance, is inappropriate in the context of unforeseen or unexpected circumstances, or for other reasons considered relevant by the Committee. As part of this assessment, the Committee will also take into account ROCE and quality of earnings. For the FY22 PSP awards, a specific ROCE underpin will apply such that awards will not vest unless average ROCE over the performance period is at least 10%. It is anticipated that a similar underpin will apply to future PSP awards. Other than shares sold to cover tax liabilities arising in respect of the acquisition of shares pursuant to an award and any exercise price, all shares must be retained for at least a holding period of two years from the end of the performance period. An award may be reduced or cancelled before vesting (i.e. a malus provision) or recovered (i.e. a clawback provision) up to the later of (i) the second anniversary of vesting and (ii) the publication of the Company's second set of audited financial accounts following vesting. The malus and clawback provisions may be applied in the event of a material misstatement of results, serious reputational damage to the Group, gross misconduct on the part of the Executive Director, error in assessing the grant or vesting outcome, or corporate failure. Clawback may be effected by a proportionate reduction of future bonuses and/or share awards made under the PSP to reflect the overpayment of shares, or the participant may be required to repay the overpaid amounts from personal funds. Additional shares may be delivered in respect of shares which vest under the PSP to reflect the value of dividends which would have been paid on those shares up to the date of vesting. The Committee shall determine the basis on which the value of such dividends shall be calculated, and may assume the reinvestment of dividends in the Company's shares on a cumulative basis.
Opportunity	The maximum award limit under the PSP is 150% of base salary. Awards in respect of the Company's 2021/2022 financial year will be at a level not exceeding 100% of base salary.
Performance metric	Awards under the PSP will be based on financial metrics with respect to at least 80% of the award. Any balance of an award (up to 20%) will be based on one or more strategic or operational metrics. The metrics chosen will be those which the Committee considers to be the most appropriate measures of longer term performance. The threshold pay-out level under the PSP is 25% of the maximum award. There will usually be straight line vesting between threshold and maximum performance. The level of vesting in respect of any metric is subject to the Committee's discretion to override formulaic out-turns.

Operation of share plans

The Committee may amend the terms of awards under the PSP, DBP or SAYE in accordance with and to the extent permitted by the relevant plan's rules in the event of a variation of the Company's share capital, demerger, special dividend or other relevant event. The Committee may operate the PSP, DBP and SAYE (including that it may amend the rules of the plans and awards granted under them) in accordance with their rules.

Awards under the PSP and DBP may be granted as cash-settled equivalents or settled, in whole or in part, in cash at the Committee's discretion (although the Committee would only grant or settle in cash in the case of an Executive Director in exceptional circumstances, such as where there is a regulatory restriction on the delivery of shares or the circumstances mean that cash settlement is appropriate as regards the tax liability due in respect of the award).

Explanation of performance metrics chosen

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

Annual bonus

The performance metrics for the 2021/2022 bonus are described on page 52. The Committee considers that a profit measure is closely aligned to the Group's key performance metrics. Basing part of the annual bonus opportunity on strategic and operational KPIs enables the Committee to incentivise and reward inputs and outputs aligned to the future implementation of the Group's strategy. The use of ESG metrics reflects the increasing importance of this to Wilmington and to society more generally.

PSP

As discussed on page 53, the performance metrics for the 2021/2022 PSP awards will be based on EPS and organic revenue growth. The EPS target will reward significant and sustained increase in earnings that would be expected to flow through into shareholder value; for the participants, this will also deliver a strong 'line of sight' as it will be straightforward to evaluate and communicate. The use of a revenue growth measure reflects our focus on sustainable growth by investing in our business and actively managing a streamlined portfolio.

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

Directors' remuneration report continued

Directors' Remuneration Policy continued

Explanation of performance metrics chosen continued

PSP continued

The Committee may vary any performance measure (including any underpin) if an event occurs which causes it to determine that it would be appropriate to vary the measure or to take account of any other exceptional circumstances, provided that any such variation is fair and reasonable. If a variation is made as a result of the occurrence of an event, it may be made only if (in the opinion of the Committee) the altered performance measure would be not materially less difficult to satisfy than the unaltered performance measure would have been but for the event in question. If the Committee were to make such a variation, a full explanation would be given in the next Directors' remuneration report.

Shareholding guidelines

In-service

Executive Directors are required to hold shares acquired pursuant to PSP awards for the holding period referred to in the 'Operation' row of the PSP section on page 58.

To further align the interests of Executive Directors with those of shareholders, we have adopted formal shareholding guidelines, in accordance with which Executive Directors must retain 50% of the after tax shares they acquire on the vesting of PSP and DBP awards until such time as a total personal shareholding equal to 200% of base salary has been achieved. Shares which are subject to the two year holding period under the PSP or which are subject to a DBP award will count towards the requirement, on a net of assumed tax basis where relevant.

Post-employment

The Committee has adopted a post-employment shareholding requirement. Shares are subject to this requirement only if they are acquired from PSP and DBP awards granted after 1 July 2021. Following employment, an Executive Director must retain:

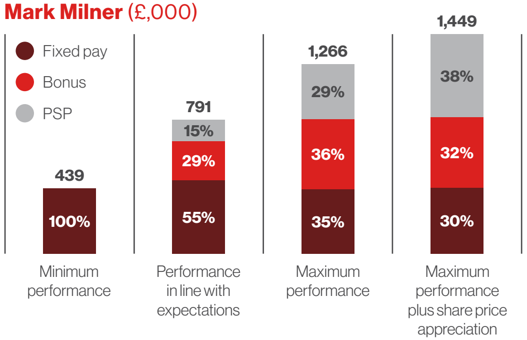
- for the first year after employment, such of their shares which are subject to the post-employment requirement as have a value for these purposes equal to 100% of salary; and
- for the second year after employment, such of those shares as have a value for these purposes equal to 50% of salary,
- or in either case and if fewer, all of those shares.

Illustration of the application of the remuneration policy

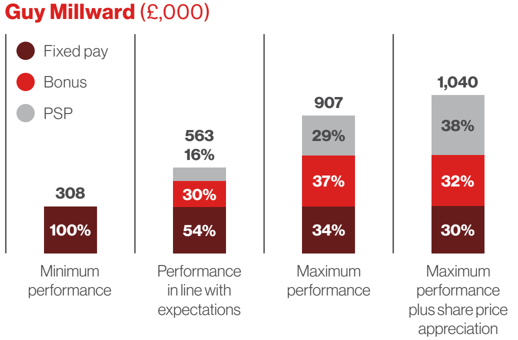
The following charts set out for each of the Executive Directors an illustration of the application for the financial year 2021/2022 of the Remuneration Policy set out above. The charts show the split of remuneration between fixed pay and variable pay in the Policy for:

1. minimum remuneration receivable — salary, fees, taxable benefits and pension;
2. the remuneration receivable if the Director was, in respect of any performance measures or targets, performing in line with the Company's expectation;
3. maximum remuneration receivable (not allowing for any share price appreciation); and
4. maximum remuneration receivable assuming a 50% increase in the Company's share price for the purposes of the PSP element.

Mark Milner (£,000)



Guy Millward (£,000)



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

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

	Basic performance	In line with expectations	Maximum performance	Maximum performance plus share price appreciation
Fixed pay	Based on salary effective as at 1 July 2021, a pension contribution of 10% (in the case of Mark Milner) and 5% (in the case of Guy Millward) and: • in the case of Mark Milner, benefits earned for the year ended 30 June 2021; and • in the case of Guy Millward, benefits earned for the year ended 30 June 2021 but 'annualised' to reflect that he served for only part of that year.			
Bonus	No bonus	50% of the maximum bonus is earned (i.e. 62.5% of salary)	125% of salary	125% of salary
PSP	No PSP vesting	33% of the PSP awards vest (i.e.33% of salary)	100% of salary	100% of salary plus an assumed 50% increase in the share price

Directors' remuneration report continued

Directors' Remuneration Policy continued

Non-Executive Directors

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

Differences in policy from the wider employee population

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

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

Recruitment remuneration policy

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

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

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

- Base salary will be set at a level appropriate to the role and the experience of the Director being appointed. This may include agreement on future increases up to a market rate, in line with increased experience and/or responsibilities, subject to good performance, where it is considered appropriate.
- Retirement benefits will only be provided in line with the above Policy.
- The Committee will not offer non-performance related incentive payments (for example a 'guaranteed sign-on bonus').
- Other elements may be included in appropriate circumstances such as:
  - an interim appointment being made to fill an Executive Director role on a short term basis;
  - if exceptional circumstances require that the Chair or a Non-Executive Director takes on an executive function on a short term basis;
  - if an Executive Director is recruited at a time in the year when it would be inappropriate to provide a bonus or long term incentive award for that year as there would not be sufficient time to assess performance. Subject to the limit on variable remuneration set out below, the quantum in respect of the months employed during the year may be transferred to the subsequent year so that reward is provided on a fair and appropriate basis; and
  - if the Director will be required to relocate in order to take up the position, it is the Company's policy to allow reasonable relocation, travel and subsistence payments. Any such payments will be at the discretion of the Committee.
- The Committee may also alter the performance measures, performance period, vesting period and deferral period of the bonus or PSP if the Committee determines that the circumstances of the recruitment merit such alteration. The rationale will be clearly explained in the Directors' remuneration report.
- The maximum level of variable remuneration which may be granted (excluding 'buyout' awards as referred to below) is 275% of salary.

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

Directors' remuneration report continued

Directors' Remuneration Policy continued

Recruitment Remuneration Policy continued

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

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

Payments for loss of office

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

Notice period	Twelve months' notice period or less shall apply.
Termination payments and mitigation	Termination payments are limited to payment of twelve months' salary, contractual pension amounts and benefits. The policy is that, as is considered appropriate at the time, the departing Director may work, or be placed on garden leave, for all or part of their notice period, or receive a payment in lieu of notice in accordance with the service agreement. The Committee will consider mitigation to reduce the termination payment to a leaving Director when appropriate to do so, having regard to the circumstances.
Bonus	The decision whether or not to award a bonus in full or in part to an Executive Director will be dependent upon a number of factors including the circumstances of their departure and their contribution to the business during the bonus period in question. Bonus payments will be made only to 'good leavers', which will include those who leave due to, retirement, ill health or disability, death, or any other reason determined by the Committee. Any bonus payment made would typically be pro-rated for time in service to termination and paid at the usual time (although the Committee retains discretion not to apply pro-rating and/or to pay the bonus earlier in appropriate circumstances).
DBP Awards	Awards lapse on the date of termination in the event of dismissal for gross misconduct. In other circumstances, awards will ordinarily continue and vest on the ordinary vesting date, although the Committee retains discretion to vest any such award on the date of termination in appropriate circumstances (such as in the event of cessation due to death or ill-health). In either case, the award will vest in full.
PSP	**Unvested awards** Unvested awards held by the Director under the Company's PSP will lapse or vest in accordance with the rules of the plan, which have been approved by shareholders. In summary, the plan rules provide that awards can vest if employment ends by reason of redundancy, retirement, ill health or disability, death, sale of the Director's employer out of the Group or any other reason determined by the Committee. Unless the Committee decides that the award will vest at cessation, it will vest at the normal vesting date. In either case, the extent of vesting will be determined by the Committee taking into account the satisfaction of the relevant performance conditions and, unless the Committee determines otherwise, applying a pro-rata reduction based on the proportion of the performance period that has elapsed at the date of cessation. Awards will remain subject to the holding period, unless the Committee determines otherwise. The Committee will only release the award early from its holding period in compassionate leaver circumstances. **Vested awards in a holding period** If an Executive Director leaves employment after a PSP award has vested but during its holding period, that holding period will continue to apply, unless the Committee determines otherwise. The Committee will only release the award early from its holding period in compassionate leaver circumstances.

Directors' remuneration report continued

Directors' Remuneration Policy continued

Payments for loss of office continued

Change of control	**PSP** Awards under the PSP will generally vest early on a takeover or other relevant corporate event. The Committee will determine the level of vesting taking into account the satisfaction of the relevant performance conditions and, unless the Committee determines otherwise, a pro-rate reduction based on the proportion of the performance period that has elapsed at the date of the relevant event. The holding period applying to awards will ordinarily come to an end on a change of control. **DBP** DBP awards will vest early and in full on a takeover or other relevant corporate event. **SAYE** SAYE options will vest on a change of control in accordance with the plan rules, which do not permit the exercise of discretion by the Committee.
Other payments	In appropriate circumstances, payments may also be made in respect of accrued holiday, outplacement and legal fees. SAYE options will vest on termination of employment in accordance with the plan rules, which do not permit the exercise of discretion by the Committee. Where a 'buyout' or other award is made outside the Company's PSP in connection with the recruitment of an Executive Director, as permitted under the Listing Rules, the leaver provisions would be determined at the time of the award.

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

Non-Executive Directors

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

Service Contracts and letters of appointment

Details of the Executive Directors' service contracts and Non-Executive Directors' letters of appointment are set out on below.

Executive Directors	Contract commencement date	Notice period
Mark Milner	July 2019	12 months
Guy Millward	November 2020	12 months
Non-Executive Directors	Date of initial appointment	Notice period
Martin Morgan	May 2018	6 months
Derek Carter	December 2011	3 months
Paul Dollman	September 2015	3 months
Helen Sachdev	April 2020	3 months
William Macpherson	February 2021	3 months

Legacy matters

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

- before the Policy came into effect (provided that in the case of any payments agreed on or after 6 November 2014 they are consistent with any applicable shareholder approved Directors' Remuneration Policy in force at the time they were agreed or were otherwise approved by shareholders); or
- at a time when the relevant individual was not a Director of the Company (or other person to whom the Policy set out above applies) and, in the opinion of the Committee the payment was not in consideration of the individual becoming a Director of the Company (or other such person).

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

Statement of consideration of employment conditions elsewhere in the Company

The Committee generally considers pay and employment conditions elsewhere in the Company when considering the Executive Directors' remuneration. When considering base salary increases, the Committee reviews overall levels of base pay increases offered to other employees. Whilst employees are not actively consulted on Directors' remuneration, the Company has in place employee feedback systems and employee forums, via which the wider workforce's views on remuneration are fed back to the Committee in order that decisions are taken with appropriate insight to employees' views.

Non-Executive appointments at other companies

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

Statement of consideration of shareholder views

The Company is committed to open and transparent dialogue with shareholders and welcomes feedback on Executive and Non-Executive Directors' remuneration. The Committee consulted with shareholders in relation to the Policy and its approach to Executive Director reward in respect of 2021/2022 and finalised its proposals having regard to feedback received.

Directors' remuneration report continued

Annual Report on Remuneration

Certain details set out on pages 63 to 71 of this report have been audited by Grant Thornton UK LLP.

Introduction (unaudited information)

The following section provides details of the remuneration earned by the Directors in respect of the year in line with the Directors' Remuneration Policy approved by shareholders at the 2020 Annual General Meeting.

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

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

2021	Total salary and fees[a] £'000	Taxable benefits[b] £'000	Pensions related benefits[c] £'000	Total fixed remuneration £'000	Annual bonus[d] £'000	PSP[e] £'000	Total variable remuneration £'000	Total £'000
Executive Directors								
Mark Milner	350	39	30	419	350	—	350	769
Guy Millward[1]	170	20	7	197	170	—	170	367
Richard Amos[2]	112	19	10	141	115	54	169	310
Non-Executive Directors								
Martin Morgan	128	—	—	128	—	—	—	128
Paul Dollman	49	—	—	49	—	—	—	49
Helen Sachdev	49	—	—	49	—	—	—	49
William Macpherson[4]	19	—	—	19	—	—	—	19
Derek Carter[3]	21	—	—	21	—	—	—	21
Nathalie Schwarz[3]	21	—	—	21	—	—	—	21

2020	Total salary and fees[a] £'000	Taxable benefits[b] £'000	Pensions related benefits[c] £'000	Total fixed remuneration £'000	Annual bonus[d] £'000	PSP[e] £'000	Total variable remuneration £'000	Total £'000
Executive Directors[5]								
Mark Milner	333	29	29	391	—	—	—	391
Richard Amos	247	29	21	297	—	—	—	297
Non-Executive Directors[5]								
Martin Morgan	121	—	—	121	—	—	—	121
Derek Carter	47	—	—	47	—	—	—	47
Nathalie Schwarz	47	—	—	47	—	—	—	47
Paul Dollman	47	—	—	47	—	—	—	47
Helen Sachdev[6]	7	—	—	7	—	—	—	7

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

b) Taxable benefits – the taxable value of benefits received in the year (i.e. car allowance, private medical insurance and income protection) plus, in the case of Mark Milner, the value of the SAYE option granted in the year.

c) Pensions related benefits – this is the amount of the cash payments in lieu of pension contributions made in the year.

d) Annual bonus — the cash value of the bonus earned in respect of the year. A description of performance against the objectives, which applied for the year ended 30 June 2021, is provided on page 64.

e) PSP – the value of performance related incentives vesting in respect of the financial year. No awards were capable of vesting in respect of performance ending 30 June 2021 and 30 June 2020 for the current Executive Directors. However, as discussed on page 68, Richard Amos retained, on a time pro-rated basis, the benefit of his PSP award granted in 2018. A description of performance against the applicable targets is provided on page 66. The award will vest on 28 September 2021 and the estimated value of the award shown above is based on the three month average share price to 30 June 2021 (£1.98) and the value of dividends that would have accrued on vested shares during the performance period, which will be paid to Mr Amos.

1. Guy Millward joined the Board on 5 November 2020. His remuneration reported in the single figure table is from this date.
2. Richard Amos left the Company on 10 December 2020. His remuneration reported in the single figure table is up to this date and includes the bonus he earned in respect of the year and his pro-rated 2018 PSP award.
3. Derek Carter and Nathalie Schwarz stepped down from the Board and left the Company on 4 November 2020. Their remuneration reported in the single figure is up to this date.
4. William Macpherson joined as Non-Executive Director the Board on 11 February 2021. His remuneration reported in the single figure table is from this date.
5. All Directors agreed to a voluntary 20% salary reduction from April 2020 to June 2020 in response to the Covid-19 crisis, this is reflected in the single figure table above.
6. Helen Sachdev joined as a Non-Executive Director on 29 April 2020. Her remuneration reported in the single figure table is from this date.

Directors' remuneration report continued

Annual Report on Remuneration continued

Total salary and fees

Total salary and fees are based on the need to retain the skills and knowledge that the Executive and Non-Executive Directors bring to the Company.

For the year ended 30 June 2021 (audited information)

No changes were made to the Executive Directors' salaries for the year ended 30 June 2021. Accordingly, Mark Milner's salary remained at the level of £350,000 and Richard Amos' at the level of £260,673. Guy Millward's salary was set at £261,000 on his appointment.

Pensions related benefits

For the year ended 30 June 2021 (audited information)

Neither Mark Milner, Richard Amos nor Guy Millward participated in a pension scheme. They were paid an amount of £30,450, £10,059 and £7,348 respectively in the year in lieu of pension contributions, reflective of 10% of their annual salary net of employers' national insurance contributions in the case of Mark Milner and Richard Amos and 5% of his annual salary net of employers' national insurance contributions in the case of Guy Millward.

Annual bonus

For the year ended 30 June 2021 (audited information)

As disclosed in last year's Directors' remuneration report, having regard to exceptional circumstances related to the Covid-19 pandemic, A 'First Half' and 'Second Half' approach was adopted to part of the annual bonus arrangement.

Each Executive Director was eligible to earn a bonus of up to 100% of their salary, with the performance measures weighted as follows.

Measure	Weighting
First Half Adjusted Profit measure*	25%
Second Half Adjusted Profit measure*	25%
First Half Strategic measures*	12.5%
Second Half Strategic measures*	12.5%
Free Cash Flow measure assessed over the whole year	25%

* Any bonus earned in respect of each half year was subject to a further assessment by the Committee of Wilmington's holistic financial performance over the full year.

The following provides the Adjusted Profit, Free Cash Flow and personal strategic objectives reference points together with the out-turns for 2020/2021.

Adjusted Profit

	Minimum target set	Maximum target set	Performance out-turn	Bonus earned as a % of base salary
First Half Adjusted Profit[1]	£4,909,091	£6,000,000	£7,005,728	25%
Second Half[2] Adjusted Profit[1]	£12,015,000	£14,985,000	£15,015,968	25%

1. Adjusted Profit is profit before adjusting items, impairment, and other income.
2. The Adjusted Profit for the Second Half bonus opportunity was assessed by reference to Adjusted Profit for the full year. Richard Amos was not eligible to earn a bonus by reference to the Second Half Adjusted Profit measure.

Free Cash Flow

The Free Cash Flow measure was assessed across the whole year on a points basis, with one point earned for exceeding the target cumulative Free Cash Flow (CFCF) for each month up to and including May 2021 and 15 points earned for exceeding the 30 June 2021 target. Free Cash Flow is as defined in note 29 on page 118 of the 2021 Annual Report and Accounts.

The minimum target set required 16 points to be earned with the maximum bonus for this element being earned for achieving 25 points. The targets are as follows:

	Jul '20 £'000	Aug '20 £'000	Sep '20 £'000	Oct '20 £'000	Nov '20 £'000	Dec '20 £'000	Jan '21 £'000	Feb '21 £'000	Mar '21 £'000	Apr '21 £'000	May '21 £'000	Jun '21 £'000
Target CFCF	0.5	(1.5)	(5.0)	(5.9)	(5.3)	(4.9)	(9.6)	(8.3)	(4.8)	(3.4)	(1.2)	(1.1)
Actual CFCF	1.5	(0.2)	(0.2)	(0.6)	0.8	4.1	2.6	4.1	4.2	5.6	9.7	8.0
Points earned	1	1	1	1	1	1	1	1	1	1	1	15

Minimum target set	Maximum target set	Performance out-turn	Bonus earned as a % of base salary
15 points	25 points	26 points earned	25%

Directors' remuneration report continued

Annual Report on Remuneration continued

Strategic measures

Objectives	Weighting (% of base salary)	Assessment of performance	Bonus earned (% of base salary)
First Half, strategic and operational objectives			
Launch of ICA Digital Hub	4.17%	The first phase of the ICA Digital Hub was launched successfully, providing customers with a dynamic user interface to access training products, whilst also providing data that can be used to facilitate personalisation of future services delivered to them. The success of this launch is also being leveraged to inform new product development in other businesses across the portfolio.	4.17%
Go live of SD Works and payroll system	4.17%	The system was launched successfully, with effective implementation of the associated operational payroll process. The system has facilitated more effective and efficient access to employee benefits and absence data for individuals and management.	4.17%
Staff engagement score in H1 higher than or equal to May 2020 score	4.17%	The Group engagement score in the December 2020 employee survey increased to 7.6 from 6.7 in May 2020.	4.17%
Second Half, strategic and operational objectives[1]			
Refresh the organic growth plan for GRC, carry out a GRC market scoping exercise and create an M&A playbook	6.25%	The Directors have clearly outlined the organic growth plan for the core GRC assets, with reference to a detailed market scoping exercise as summarised in the Group strategy update announced in June 2021. The market review provided clear direction for the Group's corporate development strategy in FY22.	6.25%
Set out a three year strategy for product lines that have been identified as non-core to demonstrate beneficial growth plans or to inform effective execution of disposals in the future	6.25%	The Directors led a strategic review of the non-core product lines across the portfolio and have set specific growth targets for each, which will inform the future strategic management of the associated assets.	6.25%

1. Richard Amos was not eligible to earn a bonus by reference to the Second Half, strategic and operational objectives.

Holistic assessment, profit underpin and overall out-turn

Any bonus earned in respect of each half year was subject to a further assessment by the Committee of Wilmington's holistic financial performance over the full year. The Committee considered that the Company's financial performance over the whole year was such that the bonuses earned by reference to the First Half and Second Half measures were appropriate. The First Half Adjusted Profit Measure and the Free Cash Flow measure were each also subject to a specific underpin that Adjusted Profit Before Tax for the year (adjusted to add back the Executive Directors' bonus expense) was at least £12,015,000, which was achieved.

The bonuses earned by the Executive Directors, after the application of appropriate time pro-rating in the case of Guy Millward and Richard Amos to reflect their service for part only of the year were:

Mark Milner: £350,000

Guy Millward: £170,276

Richard Amos: £115,696

Directors' remuneration report continued

Annual Report on Remuneration continued

PSP

Awards vesting in respect of the year ended 30 June 2021 (audited information)

The PSP awards granted on 28 September 2018 that are due to vest on 28 September 2021 were subject to EPS growth, ROE (for PSP) and relative TSR performance against the FTSE SmallCap index over a three year period to 30 June 2021. As noted on page 68, Richard Amos retained a time pro-rated proportion of his 2018 PSP award when he left the Company. The table below details the Company's performance against these performance measures for the three year performance period.

Element	Weighting (% of maximum)	Target range: Minimum (25% of maximum)	Target range: Maximum (100% of maximum)	Performance out-turn
EPS growth	One-third	3.0%	9.0%	0%
ROE (for PSP)	One-third	25.0%	29.0%	33%
TSR	One-third	Median	Upper quartile	0%

Richard Amos will, therefore, be entitled to 25,383 shares, being 33% of the reduced number of shares over which his award was retained.

Richard Amos will also be entitled to a payment in respect of dividends that would have accrued on vested shares during the performance period. He will be required to retain at least 50% of the shares he acquires (after sales to cover any tax liabilities) until at least the second anniversary of the vesting date.

PSP Awards granted during the year

In respect of the year ended 30 June 2021 the following PSP awards were granted as detailed in the table below. The performance conditions for these awards are shown in the below this table.

Name	Date of grant	Type of award	Maximum opportunity	Number of shares	Face value at grant £	% of award vesting at minimum threshold
Mark Milner	30 September 2020	PSP	100% of salary	285,714	£350,000[2]	25%
Richard Amos[1]	30 September 2020	PSP	75% of salary	159,596	£195,505[2]	25%
Guy Millward	26 February 2021	PSP	37.5% of salary	52,791	£97,875[3]	25%

1. Richard Amos' award lapsed on 10 December 2020.
2. The face value is based on a price of 122.5p being the average share price from the five business days immediately preceding the award being granted on 30 September 2020.
3. The face value is based on a price of 185.4p being the average share price from the five business days immediately preceding the award being granted on 26 February 2021.

The performance measures are disclosed below:

40% of award — EPS in FY23	Percentage of Award Vesting
Less than 15.7p	0.0%
15.7p	25.0%
More than 15.7p but less than 18.9p	On a straight line basis between 25.0% and 100.0%
18.9p or more than 18.9p	100%

40% of award — TSR versus FTSE SmallCap (excluding Investment Trusts) over the three year performance period starting 30 September 2021	Percentage of Award Vesting
Below median	0.0%
Median	25.0%
Between median and upper quartile	On a straight line basis between 25.0% and 100.0%
Upper quartile or above	100%

20% of award — Organic revenue growth over a performance period from the 2019/2020 financial year to the 2022/2023 financial year	Percentage of Award Vesting
Less than 12%	0.0%
12%	25.0%
More than 12% but less than 14%	On a straight line basis between 25.0% and 100.0%
14% or more than 14%	100%

The Committee may reduce the extent of vesting if the Committee considers that any value of the vested award represents a windfall gain caused by the impact on the share price due to the Covid-19 pandemic. In assessing this, the Committee will take into account a number of factors, including share price performance over the vesting period on an absolute and relative basis against peer companies, underlying financial performance of the Group during the performance period, the impact of the Covid-19 pandemic and any other significant events during the vesting period on the Group's share price or the market as a whole.

The Executive Directors will be required to retain all of the vested shares (net of taxes) for a minimum of two years post-vesting.

Directors' remuneration report continued

Annual Report on Remuneration continued

SAYE options granted during the year

The following SAYE option was granted on 19 October 2020:

Name	Number of shares under option	Per share exercise price	Vesting date
Mark Milner	18,750	£0.96	1 December 2023

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

Shareholding guidelines for Executives have been adopted, linked to the out-turn from the PSP. At the time Awards vest under the PSP (or any other Executive plan established in the future), Executive Directors will be expected to retain no fewer than 50% of vested shares (net of taxes) until such time as a total personal shareholding equivalent to 100% of pre-tax base salary has been achieved. Under the Directors' Remuneration Policy for which approval is sought at the 2021 Annual General Meeting, this will increase to 200% of base salary and the retention requirement will also apply to 50% of the net vested shares under deferred bonus awards.

The holdings of those persons who served as Directors during the year, and of their families, are as follows:

	Beneficial/ non-beneficial	At 30 June 2020	Movement in year	**At 30 June 2021 or if earlier, date of stepping down from the Board**	**At 30 June 2021 Percentage**
Mark Milner	Beneficial	45,000	—	**45,000**	**0.05%**
Guy Millward	Beneficial	—	—	**—**	**—**
Martin Morgan	Beneficial	90,000	—	**90,000**	**0.10%**
Derek Carter	Beneficial	25,000	—	**25,000**	**0.03%**
Paul Dollman	Beneficial	40,000	—	**40,000**	**0.05%**
Helen Sachdev	Beneficial	—	10,000	**10,000**	**0.01%**
William Macpherson	Beneficial	—	10,000	**10,000**	**0.01%**
Richard Amos	Beneficial	24,250	—	**24,250**	**0.03%**
Nathalie Schwarz	Beneficial	—	—	**—**	**—**

As at 30 June 2021 the Company's share price was 212.00p and its highest and lowest share prices during the year ended 30 June 2021 were 118.00p and 217.00p respectively. Interests are shown as a percentage of shares in issue at 30 June 2021.

Directors' remuneration report continued

Annual Report on Remuneration continued

Executive Directors interests under share schemes (audited information)

Awards held under the PSP and SAYE scheme by each person who served as a Director during the year ended 30 June 2021 are as follows:

	Award date	Type of award	Number of shares at 1 July 2020	Granted during the year	Lapsed during the year	Exercised during the year	Number of shares at 30 June 2021 or if earlier, date of stepping down from the Board	Date which awards vest
Mark Milner	30 Sept 2019[1]	PSP	168,269	—	—	—	**168,269**	**30 Sept 2022**
Mark Milner	30 Sept 2020[2]	PSP	—	285,714	—	—	**285,714**	**30 Sept 2023**
Mark Milner	19 Oct 2020	SAYE	—	18,750	—	—	**18,750**	**1 Dec 2023**
Guy Millward	26 Feb 2021[2]	PSP	—	52,791	—	—	**52,791**	**30 Sept 2023**
Richard Amos	28 Sept 2018[3]	PSP	103,746	—	(27,596)[4]	—	**76,150**	**28 Sept 2021**
Richard Amos	30 Sept 2019[1]	PSP	93,993	—	(56,396)[4]	—	**37,597**	**30 Sept 2021**
Richard Amos	29 Mar 2019	SAYE	7,105	—	(7,105)[4]	—	**—**	**N/A**
Richard Amos	30 Sept 2020[2]	PSP	—	159,596	(159,596)[4]	—	**—**	**N/A**

1. Performance conditions for awards granted on 30 September 2019 are disclosed in the 2019/2020 financial year Annual Report and Accounts .
2. Performance conditions for awards granted on 30 September 2020 and 26 February 2021 are disclosed on page 66.
3. Performance conditions for awards granted on 28 September 2018 are disclosed on page 66. The awards are expected to vest at 33%.
4. As disclosed in the payments for loss of office section on page 61, Mr Amos' 2018 and 2019 PSP awards have been reduced and his 2020 PSP award and SAYE option have lapsed, to reflect his leaving the Company.

Dilution (unaudited information)

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

At 30 June 2021, the headroom under the Company's 5.0% and 10.0% limits was 2,154,563 and 5,161,179 shares respectively, out of an issued share capital of 87,603,917 shares.

Payments for loss of office (audited information)

No payments for loss of office were made during the year, other than Richard Amos as detailed further below.

Richard Amos left the Company on 10 December 2020. The following arrangements applied to his remuneration.

- Mr Amos received a payment in lieu of salary, contractual benefits and pension contribution of £164,161, which was paid in six monthly instalments.
- A payment of £1,000 was made in respect of legal expenses and other associated termination expenses as part of his departure arrangements.
- Mr Amos earned a bonus in respect of his period of service in financial year 2020/2021, which is included in the single total figure of remuneration table on page 63. Mr Amos retained his 2018 PSP award subject to a pro-rata reduction, which vested by reference to performance to 30 June 2021; the vesting value of the award is included in the single total figure of remuneration table on page 63.
- Mr Amos' 2019 PSP award has been retained on a time pro-rated basis as shown in the table to the left and will vest subject to the achievement of the applicable performance conditions assessed over the originally anticipated performance period. His PSP award granted in 2020 has lapsed in full.
- Mr Amos' SAYE option lapsed on 10 December 2020.

Payments to former Directors (audited information)

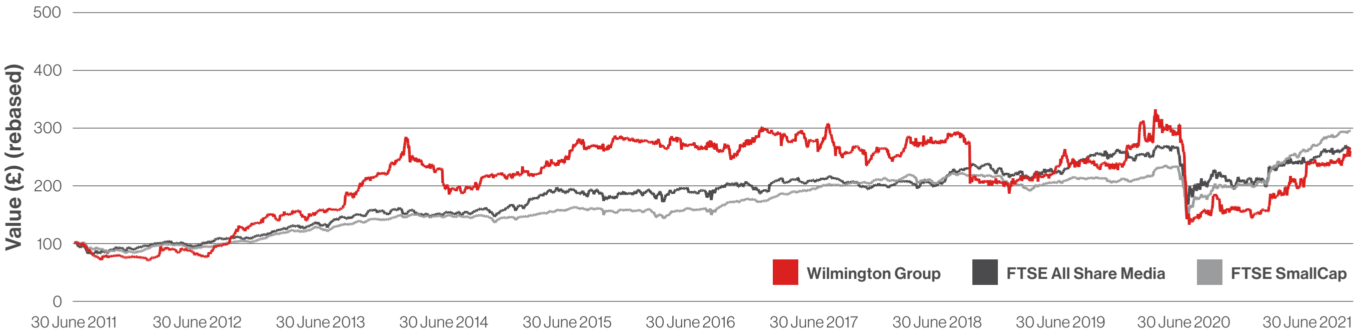
No payments to former Directors of the Company were made during the year.

Directors' remuneration report continued

Annual Report on Remuneration continued

Performance graph and table (unaudited information)

The following graph shows, for the year ended 30 June 2021 and for each of the previous nine years, the total shareholder return (calculated in accordance with the Large and Medium-sized Company and Groups (Accounts and Reports) Regulations 2008, as amended) on a holding of the Company's ordinary shares compared with a hypothetical holding of shares of the same kind and number as those by reference to which the FTSE All – Share Media Index and the FTSE Small Cap Index are calculated. These indices have been chosen as the appropriate comparators because the Committee believe they contain the most comparable companies against which to appraise the Company's share performance.



Chief Executive Officer single figure (unaudited information)

	Total remuneration £'000	Annual bonus as a % of maximum opportunity %	PSP as a % of maximum number of shares %
2020/21 Mark Milner	769	100%	—
2019/20 Mark Milner	389	—	—
2018/19 Pedro Ros	398	21.8%	33.3%
2017/18 Pedro Ros	565	—	60.9%
2016/17 Pedro Ros	814	61.7%	84.1%
2015/16 Pedro Ros	677	73.1%	—
2014/15 Pedro Ros	671	78.5%	—
2013/14 Charles J Brady	943	88.6%	91.8%
2012/13 Charles J Brady	935	80.0%	55.0%
2011/12 Charles J Brady	580	55.2%	—

Percentage change in remuneration of Directors and employees (unaudited information)

The year-on-year percentage change in salary, taxable benefits and annual bonus on a rolling basis, for the Executive and Non-Executive Directors and employees of the Company on a full-time equivalent basis. The average employee change has been calculated by reference to the mean of employee pay over the same period. Guy Millward and William Macpherson were appointed to the Board and Richard Amos, Nathalie Schwarz and Derek Carter stepped down from the Board during the year ended 30 June 2021, accordingly, they have been excluded from the table below.

		Salary/fees[2]	Taxable benefits	Annual bonus[3]
Mark Milner	2020/2021	5%	34%	100%
	2019/2020	—	—	—
Martin Morgan	2020/2021	6%	—	—
	2019/2020	(3%)	—	—
Paul Dollman	2020/2021	4%	—	—
	2019/2020	(2%)	—	—
Helen Sachdev[1]	2020/2021	4%	—	—
	2019/2020	—	—	—
Average employee	2020/2021	0%	—	60%
	2019/2020	2%	—	(50%)

1. In order to provide meaningful comparison with remuneration for 2020/2021, Helen Sachdev's remuneration for 2019/2020 has been annualised, to reflect the fact that she joined the Board during the year ended 30 June 2020.
2. The increase in the salaries and fees of the Directors reflects the voluntary reduction in pay in the final three months of the year ended 30 June 2020 in response to the impact of Covid-19. Inflationary increases were not applied to employee salaries in the year ended 30 June 2021 due to ongoing uncertainty around Covid-19 impacts at the time of annual salary reviews.
3. The increase in bonus awarded to the Directors reflects the 100% satisfaction of performance conditions in the year ended 30 June 2021, compared to the year ended 30 June 2020 in which the bonus underpin condition was not met. The 50% reduction in annual bonus for employees in the year ended 30 June 2020 reflected the impact of Covid-19 on the financial results. The element of bonus that was reduced was partially reinstated in the year ended 30 June 2021 to reflect the strong performance against budget targets across much of the Group.

Directors' remuneration report continued

Annual Report on Remuneration continued

Relative importance of spend on pay (unaudited information)

The difference in actual expenditure between 2019/2020 and 2020/2021 on remuneration for all employees in comparison to distributions to shareholders by way of dividend is detailed in the table below: There were no share buybacks during the year.

	2019/20 £'000	2020/21 £'000	Change %
Expenditure on remuneration for all employees	46,450	47,884	3%
Distributions to shareholders by way of a dividend	4,378	1,829	(58%)

CEO pay ratio

The following table discloses the ratios between the single total figure of remuneration ('STFR') of the Chief Executive Officer for 2019/20 and 2020/21 and the lower quartile, median and upper quartile pay of Wilmington's UK employees for those years. The STFR of all employees has been calculated on a full-time equivalent basis. Wilmington is committed to ensuring competitive pay for all colleagues.

	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2020/21	Option B	28:1	21:1	13:1
2019/20	Option B	14:1	10:1	6:1

Single total figures of remuneration used to calculate the above ratio

		CEO		25th percentile pay ratio		Median pay ratio		75th percentile pay ratio	
	Method	Total pay and benefits £'000	Total salary £'000	Total pay and benefits £'000	Total salary £'000	Total pay and benefits £'000	Total salary £'000	Total pay and benefits £'000	Total salary £'000
2020/21	Option B	769	350	61	58	36	35	28	25

Reporting regulations offer three methodologies to calculate the CEO pay ratio – Options A, B and C. The above table has been calculated by adopting Option B, which was determined as the most appropriate methodology for Wilmington. It was decided that Option B would be the most appropriate approach as Wilmington had already completed a comprehensive analysis of UK employees for the purpose of gender pay gap reporting. As such, the most recent gender pay gap data, due to be published in October 2021, was used to determine the employees at the 25th percentile, median and 75th percentile. A single total figure of remuneration was then calculated for each of the relevant employees using a consistent approach to the calculation of the single total figure of remuneration for the Chief Executive Officer on page 63 based on remuneration as at 30 June 2021. For example, variable bonus payments and employer pension contributions were added to the gender pay data to ensure the STFR reflected all relevant remuneration received in respect of the year ended 30 June 2021. The pay data for a sample of employees at each percentile was then reviewed for accuracy and consistency and as such, Wilmington believes the selected employees are reasonably representative of the 25th, median, and 75th percentiles.

It is expected that the CEO pay ratio has the potential to vary considerably year-on-year due to the significant variable remuneration element included. During the year ended 30 June 2020, the CEO did not receive a bonus payment and therefore the resultant CEO pay ratio was significantly lower than would be expected in a year during which a bonus payment was received. This variance in variable pay has caused a significant increase in the ratio relating to the year ended 30 June 2021.

The Company believes that the median pay ratio is consistent with the pay, reward, and progression policies for the Company's UK employees as a whole.

Directors' remuneration report continued

Implementation of the Policy for the year ending 30 June 2021 (unaudited information)

Subject to approval at the 2021 Annual General Meeting, the Policy outlined on pages 52 to 54 will be implemented in the year ending 30 June 2022 as described in the Committee Chair's Statement on pages 50 to 54.

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

Details of the Directors who were members of the Committee during the year are disclosed on page 50. The Committee has also received assistance from the Chief Executive Officer with respect to the remuneration of the other Executive Director and on the Company's remuneration policy more generally. He is not in attendance when his own remuneration is discussed.

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

Committees advisors	2020/21 £'000
Aon Hewitt Limited provided advice to the Committee on performance analysis.	9
Deloitte LLP provided advice to the Committee on executive remuneration, including annual bonus performance measures and the preparation of the Directors' remuneration report.	17

Deloitte LLP was appointed by the Committee in 2013; the Group also engages Deloitte LLP to provide advice in relation to the Company's share plans. Deloitte is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. Aon Hewitt Limited was appointed by the Committee in previous years. The Committee took into account the Remuneration Consultants Group's Code of Conduct when reviewing the appointment of Aon Hewitt Limited and Deloitte LLP.

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

Annual Report on Remuneration continued

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

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

Committee member	Member since	Committee meetings attended	Committee meetings eligible to attend
Helen Sachdev (Committee Chair)	April 2020	4	4
Martin Morgan	May 2018	4	4
Paul Dollman	September 2015	4	4
William Macpherson	February 2021	2	2

Statement of voting at general meeting (unaudited information)

At the Annual General Meeting held on 4 November 2020 the Annual Report on remuneration received the following votes from shareholders:

Annual Report on Remuneration	Total number of votes	% of votes cast
For	72,994,693	97.91%
Against	1,561,600	2.09%
Total votes cast (for and against)	74,556,293	
Votes withheld	1,873	
Total votes (including withheld votes)	74,558,166	

At the Annual General Meeting held on 4 November 2020 the Directors' Remuneration Policy received the following votes from shareholders:

Directors' Remuneration Policy	Total number of votes	% of votes cast
For	72,994,693	97.91%
Against	1,561,600	2.09%
Total votes cast (for and against)	74,556,293	
Votes withheld	1,873	
Total votes (including withheld votes)	74,558,166	

Directors' report and other statutory information

The Directors present their report together with the audited consolidated financial statements for the year ended 30 June 2021. The Directors' report comprises pages 72 and 73 and the sections of the Annual Report incorporated by reference are set out below which, taken together, contain the information to be included in the Annual Report, where applicable, under Listing Rule 9.8.4.

Notice concerning forward-looking statements

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

The terms 'expect', 'estimate', 'forecast', 'target', 'believe', 'should be', 'will be' and similar expressions are intended to identify forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to, those identified under 'Principal risks and uncertainties' on pages 31 to 37 of this Annual Report.

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

General information

The Company is public limited and is incorporated and domiciled in the UK. The Company is listed on the main market of the London Stock Exchange. The Company's registered address is 10 Whitechapel High Street, London E1 8QS.

Branches outside the UK

The Group does not operate any branches outside the UK.

Research and development activities

The Group invests in research and development to support the development of its businesses which can rely on technology to deliver their data, information, training and education services. Examples of investments undertaken in the year are included in the Financial Review on pages 28 to 30.

Political donations

No political donations were made during the year (2020: nil).

Directors and Directors' interests

All Directors are equally accountable for the proper stewardship of the Company's affairs. Executive and Non-Executive Directors offer themselves for election or re-election at each Annual General Meeting as a result of the Company deciding to adopt best practice guidelines and the 2018 UK Corporate Governance Code, located on the FRC's website at www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code.

Details of the remuneration, service contracts, letters of appointment and interests in the share capital of the Company for the Directors who have served during the year are set out in the report on Directors' remuneration on pages 50 to 71.

Except as disclosed in note 27 none of the Directors had any material interest in any contract, other than an employment contract, that was significant in relation to the Group's business at any time during the year.

Directors' third-party indemnity provisions

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

Directors' report and other statutory information continued

> The Group seeks to create an environment in which every member of its workforce helps to foster a culture of equality, diversity and inclusion.

Wilmington's people

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

The Group seeks to employ a workforce that reflects the diversity of its customers and the communities it engages with. The Group also seeks to create an environment in which every member of its workforce helps to foster a culture of equality, diversity and inclusion. As set out in the Group's equal opportunities policy, it is committed to ensuring that all of its workplaces are free from discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, sex and sexual orientation.

In July 2020 the Group launched a Global Diversity and Inclusion Working Group. Details of the focus of the working group are set out in the Sustainability Report on page 23.

Financial instruments

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

Purchase of own shares and sale of treasury shares

The Group has, in previous years, purchased its own shares and holds such shares in treasury. At 30 June 2021, 34,533 shares were held in Treasury (2020: 44,611), which represents 0.1% (2020: 0.1%) of the share capital of the Company.

In the year ending 30 June 2021 the Wilmington Group plc Employee Share Ownership Trust purchased 129,903 ordinary shares of 5p each. These shares will ultimately be used by the Trust for the settlement of awards granted under the Company's employee share schemes. The Company seeks authority from its shareholders at each Annual General Meeting to purchase its own shares.

Contracts of significance with shareholders

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

Takeover directive disclosures

As at 30 June 2021, the Company had only one authorised class of share, namely ordinary shares of 5p each, of which there were in issue 87,603,917 (2020: 87,603,917). There are no special arrangements or restrictions relating to any of these shares, whether in terms of transfers, voting rights, or relating to changes in control of the Company. The Company does not have any special rules in place regarding the appointment and replacement of Directors, or regarding amendments to the Company's articles of association.

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

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

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

Apart from the interests of the Directors disclosed in the report on Directors' remuneration and the substantial interests listed on page 116 there are no individuals or entities with significant holdings, either direct or indirect, in the Company.

Annual General Meeting

A separate notice convening the Annual General Meeting of the Company to be held at the head office, 10 Whitechapel High Street, London E1 8QS on 3 November 2021 will be circulated to shareholders with this Annual Report and financial statements.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards ('IFRSs') adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

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

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

The Directors confirm that:

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

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

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

To the best of our knowledge:

- the Group financial statements, prepared in accordance with IFRSs as adopted by the United Kingdom, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic report and Directors' report include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Approved on behalf of the Board by:

Guy Millward
Chief Financial Officer
17 September 2021

Financial Statements

Independent auditors' report

to the members of Wilmington plc

Opinion

Our opinion on the financial statements is unmodified.

We have audited the financial statements of Wilmington plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 June 2021, which comprise the consolidated income statement, the consolidated statement of comprehensive income, the Group and Company balance sheets, the Group and Company statements of changes in equity, the Group and Company cash flow statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and international financial reporting standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union and international accounting standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements is international accounting standards in conformity with the requirements of, and as applied in accordance with the provisions of, the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 June 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union and international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of, and as applied in accordance with the provisions of, the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditors' opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

As part of our risk assessment, we evaluated the Group's and the parent company's cash position, assessed the Group's and the parent company's performance and headroom against bank covenants throughout the year, considered the Group's and the parent company's lack of reliance on government assistance and the parent company's ability to pay dividends, and concluded that the Group's and the parent company's ability to continue as a going concern was not a significant risk that required special audit consideration.

Our evaluation of the Directors' assessment of the Group's and the parent company's ability to continue to adopt the going concern basis of accounting included reviewing management's base case cash flow forecasts covering the period to 30 September 2022 and challenging the underlying assumptions, and reviewing forecast covenant compliance throughout the going concern period. We obtained management's reverse stress test prepared to consider the scenario that would cause a breach in covenant compliance and evaluated the impact and availability of mitigating actions available to management to restrict the impact on the Group's and the parent company's performance and covenant compliance. Our assessment also included a review of the accuracy of management's past forecasting and an assessment of the adequacy of related disclosures within the Annual Report.

In our evaluation of the Directors' conclusions, we considered the inherent risks associated with the Group's and the parent company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Directors and the related disclosures and analysed how those risks might affect the Group's and the parent company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

In relation to the Group's and the parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of Directors for the financial statements' section of this report.

Independent auditors' report continued

to the members of Wilmington plc

Our approach to the audit

Overview of our audit approach

Overall materiality:

Group: £719,000, which represents 0.65% of the Group's forecast revenue.

Parent company: £540,000, which represents 0.3% of the parent company's total assets, capped at 75% of Group materiality.

Key audit matters were identified as:

- Impairment of goodwill (same as previous year)
- Recognition of revenue (same as previous year)

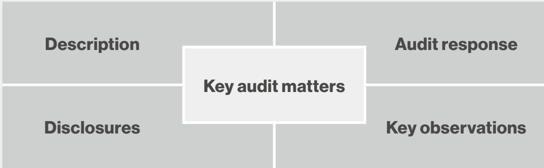
Our auditors' report for the year ended 30 June 2020 included two key audit matters that have not been reported as key audit matters in our current year's report. These relate to going concern and to the application of International Financial Reporting Standard (IFRS) 16 'Leases' and are not included as they have not been assessed as significant risks for the current year.

We performed full scope audit procedures on the financial statements of Wilmington plc and on the financial information of Wilmington Holdings No.1 Limited, Wilmington Shared Services Limited, Wilmington Publishing & Information Limited, Axco Information Services Limited, Wilmington Healthcare Limited, Mercia Group Limited, International Compliance Training Limited and Bond Solon Training Limited.

Full scope or specified audit procedures were performed on the financial information of components representing 78% of the Group's revenue and 82% of the Group's loss before tax.

Key audit matters

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



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.

1. Intangible assets
2. Intercompany receivables (parent company only)
3. Trade receivables
4. Accruals
5. Share option expenses
6. Operating expenses
7. Borrowings
8. Investments (parent company only)
9. Employee remuneration
10. Recognition of revenue
11. Going concern
12. Impairment of goodwill

Key Audit Matter – Group	How our scope addressed the matter – Group
Impairment of goodwill We identified impairment of goodwill as one of the most significant assessed risks of material misstatement due to error. In accordance with International Accounting Standard (IAS) 36 'Impairment of Assets', goodwill is subject to an annual impairment test. The Group holds £65.8m of goodwill on its balance sheet, including £11.9m relating to the UK Healthcare cash generating unit (CGU), after recognising an impairment in the year of £8.4m. We consider that the carrying value of the goodwill intangible asset associated with the UK Healthcare CGU is a significant risk due to the low amount of headroom for this CGU, the sensitivity to key assumptions, and the level of management judgement included in the inputs into the impairment calculation, such as the rate used to discount future cash flows, the cash flow forecasts and the growth rates.	In responding to the key audit matter, we performed the following audit procedures: • obtaining management's impairment review model and testing the mathematical accuracy; • assessing the appropriateness of management's determination of CGUs and changes in CGUs identified compared to the prior year; • assessing the appropriateness of the asset amounts included in the carrying value of each of the CGUs by agreeing to underlying accounting records; • assessing the discount rate applied, including an assessment by our valuation specialists, and benchmarking the rate against that used by competitors; • assessing the appropriateness of the growth rates applied, by reference to industry and market data; • performing sensitivity analysis on the value in use calculation performed by management; • testing the accuracy of management's forecasting through a comparison of budget to actual data and historical variance trends; • obtaining and challenging the key assumptions relating to the Group's cash flow forecasts; and • assessing the accuracy and sufficiency of financial statement disclosures relating to the impairment of goodwill in the UK Healthcare CGU, and the sensitivity of this impairment to key variables.
Relevant disclosures in the Annual Report and Financial Statements 2021 • Financial statements: note 12, Goodwill • Audit Committee report: Goodwill and intangible asset impairment	**Key observations** Our audit work did not identify any material errors in the impairment of goodwill associated with UK Healthcare CGU during the year.

Independent auditors' report continued

to the members of Wilmington plc

Key audit matters continued

Key Audit Matter – Group	How our scope addressed the matter – Group
Recognition of revenue We identified recognition of revenue as one of the most significant assessed risks of material misstatement due to fraud. Under International Standard on Auditing (UK) 240 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements', there is a presumption that there are risks of fraud in revenue recognition. The Group has a number of revenue streams which include performance obligations recognised at both a point in time and over time, spanning less than one year and not involving complex arrangements. We assessed the risk of fraud to be greatest in the final quarter of the year, where there is an increased risk of manipulation of the timing or quantum of revenue. This could lead to revenue being inappropriately recognised in the year rather than being deferred. There is also an associated risk relating to the completeness of deferred revenue.	In responding to the key audit matter, we performed the following audit procedures: • assessing the design effectiveness of relevant controls in respect of revenue recognition; • assessing the stated accounting policies in respect of revenue recognition and whether these are consistent with IFRS 15 'Revenue from Contracts with Customers' and whether revenue has been recorded in accordance with the accounting policies; • performing substantive testing on a sample of revenue transactions during the year with a particular focus on the final quarter, across each of the significant revenue streams to assess whether revenue is recognised in accordance with the contract terms and agreeing to supporting evidence to confirm occurrence; and • performing cut off procedures to ensure that revenue was recognised in the correct period via testing of revenue through to deferred income schedules, and vice versa, prior period deferred income to revenue listing in the current period.
Relevant disclosures in the Annual Report and Financial Statements 2021 • Financial statements: note 3, Revenue • Audit Committee report: Revenue recognition	**Key observations** Our audit work did not identify any material errors in the recognition of revenue during the year.

We did not identify any key audit matters relating to the audit of the financial statements of the parent company.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditors' report.

Materiality was determined as follows:

Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£719,000, which represents 0.65% of the Group's forecast revenue.	£540,000, which represents 0.3% of the parent company's total assets, capped at 75% of Group materiality.
Significant judgements made by auditor in determining the materiality	This benchmark is considered the most appropriate because consistent and sustainable revenue streams is a key performance indicator for the Group. Materiality for the current year is higher than the level that we determined for the year ended 30 June 2020 as materiality was based on 0.65% of forecast revenue in both years and forecast revenue was higher this year.	This benchmark is considered the most appropriate because the parent company's purpose is to hold material investments in subsidiary companies and receivable amounts from subsidiary companies, and does not trade. Materiality for the current year is higher than the level that we determined for the year ended 30 June 2020 to reflect the increase in the parent company's total assets in the current year and the capping at 75% of Group materiality referred to above, which was higher this year.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£540,000, which is 75% of financial statement materiality.	£404,000, which is 75% of financial statement materiality.
Significant judgements made by auditor in determining the performance materiality	In determining performance materiality, we made the following significant judgements: • Our experience with auditing the financial statements of the Group in previous years – based on the number and quantum of identified misstatements in the prior year audit and management's attitude to correcting misstatements identified; • Our assessment of the strength and effectiveness of the control environment; and • The number of components within the Group and the extent of audit procedures planned and performed at these components.	In determining performance materiality, we made the following significant judgements: • Our experience with auditing the financial statements of the parent company in previous years – based on the number and quantum of identified misstatements in the prior year audit and management's attitude to correcting misstatements identified; and • Our assessment of the strength and effectiveness of the control environment.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: • Related party transactions; and • Directors' remuneration.	We determined a lower level of specific materiality for the following areas: • Related party transactions; and • Directors' remuneration.

Independent auditors' report continued

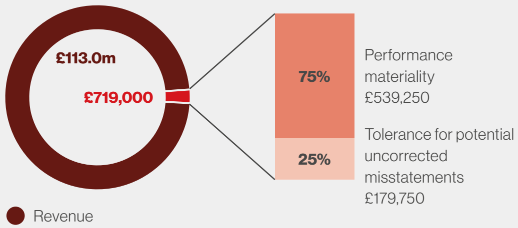
to the members of Wilmington plc

Our application of materiality continued

Materiality measure	Group	Parent company
Communication of misstatements to the Audit Committee	We determine a threshold for reporting unadjusted differences to the Audit Committee.	
Threshold for communication	£35,950 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£26,960 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

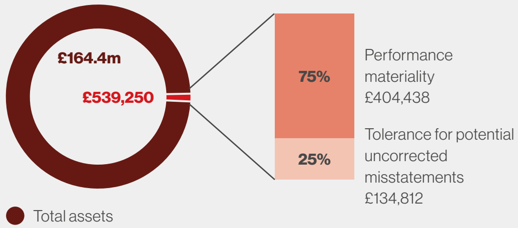
The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group



Revenue
Financial statements materiality

Overall materiality – parent company



Total assets
Financial statements materiality

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the Group's and the parent company's business and in particular matters related to:

Understanding the Group, its components, and their environments, including Group-wide controls

- obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level;
- evaluation by the Group audit team of identified components to assess the significance of each component and to determine the planned audit response based on a measure of materiality.

Identifying significant components

- in setting our audit scope we determined any individual component which contributed more than 10% to consolidated revenues or consolidated underlying profit or loss before taxation to be financially significant to the Group;
- financially significant components were identified as Wilmington Publishing & Information Limited and Wilmington Healthcare Limited. Wilmington plc and Wilmington Shared Services Limited were also identified as significant components due to qualitative factors. These four components were subject to full scope audit procedures and represent 23% of the Group's revenue and 22% of the Group's loss before tax. All work in relation to these components was performed by the Group audit team;
- five further components were identified as not being financially significant but still requiring full scope audit procedures, being Wilmington Holdings No 1 Limited, Axco Information Services Limited, Mercia Group Limited, International Compliance Training Limited and Bond Solon Training Limited. All work in relation to these components was performed by the Group audit team;
- five further components were identified for specified audit procedures on specific balances. The work on these components was targeted according to the nature of the balances within these components. All work in relation to these components was performed by the Group audit team
- the remaining 42 components were subject to analytical procedures commensurate with their significance to the Group's results and financial position.

Type of work to be performed on financial information of parent and other components

- for the parent company and other financially significant components requiring a full-scope approach, we evaluated the design and implementation of controls over the financial reporting systems identified as part of our risk assessment and addressed critical accounting matters. We then undertook substantive testing on significant transactions and material account balances;
- for components identified as not being financially significant but still requiring a full-scope approach, the financial information of each component was subjected to audit procedures to component materiality;
- for components identified for specified audit procedures, audit procedures were performed on revenue balances to provide us with assurance for the significant risk and key audit matter of the recognition of revenue.

Performance of our audit

- work performed over full scope components and specified procedures components covered 78% of the Group's revenue and 82% of the Group's loss before tax; and
- the remaining components of the Group were subject to analytical procedures commensurate with their significance to the Group's results and financial position.

Changes in approach from prior year

- the subsidiary Bond Solon Training Limited has been identified as not being financially significant but still requiring a full-scope audit this year, whereas it was identified as requiring specified audit procedures in the prior year.

Audit approach	No. of components	% coverage Revenue	% coverage Loss before tax
Significant, requiring full-scope audit	4	23%	22%
Not significant, requiring full-scope audit	5	37%	56%
Specified audit procedures	5	18%	4%
Analytical procedures	42	22%	18%

Independent auditors' report continued

to the members of Wilmington plc

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinions on other matters prescribed by the Companies Act 2006 are unmodified

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer term viability and that part of the Corporate Governance Statement relating to the Group's and the parent company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Group's and the parent company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- the Directors' explanation in the Annual Report as to how they have assessed the prospects of the Group and the parent company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group and the parent company will be able to continue in operation and meet their liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions;
- the Directors' statement that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and the parent company's performance, business model and strategy;
- the Directors' confirmation in the Annual Report that they have carried out a robust assessment of the principal and emerging risks facing the Group and the parent company including the impact of Brexit and Covid-19 and the disclosures in the Annual Report that describe the principal risks, procedures to identify emerging risks and an explanation of how they are being managed or mitigated;
- the section of the Annual Report that describes the review of the effectiveness of the Group's and the parent company's risk management and internal control systems, covering all material controls, including financial, operational and compliance controls; and
- the section of the Annual Report describing the work of the Audit Committee, including significant issues that the Audit Committee considered relating to the financial statements and how these issues were addressed.

Responsibilities of Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 74 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

Independent auditors' report continued

to the members of Wilmington plc

Other information continued

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the parent company and the sector in which they operate. We determined that the following laws and regulations were most significant: international financial reporting standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union and international accounting standards in conformity with the requirements of the Companies Act 2006 for the Group, and international accounting standards in conformity with the requirements of, and as applied in accordance with the provisions of, the Companies Act 2006 for the parent company, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code and UK corporate taxation laws.
- We obtained an understanding of how the Group and the parent company are complying with those legal and regulatory frameworks by making inquiries of management and of the Group's head of legal department. We corroborated our inquiries through our review of board minutes and papers provided to the Audit Committee.
- We evaluated the design and implementation of controls over the financial reporting systems and the effectiveness of the control environment as part of our risk assessment.
- We assessed the susceptibility of the Group's and the parent company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the Group engagement team included:
    - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
    - obtaining an understanding of how those charged with governance considered and addressed the potential for override of controls or applied other inappropriate influence over the financial reporting process;
    - challenging assumptions and judgments made by management in its significant accounting estimates;
    - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
    - assessing the extent of compliance with the relevant laws and regulations.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify and recognise non-compliance with laws and regulations through an assessment of the engagement team's:
    - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
    - knowledge of the industry in which the Group and parent company operate.
- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of deferred income. This is also reported as a key audit matter in the key audit matters section of our report, where the matter and specific procedures performed in response to this matter are described in more detail.

Other matters which we are required to address

Following the recommendation of the Audit Committee, we were appointed by the Board on 28 January 2019 to audit the financial statements for the year ending 30 June 2019 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 3 years, covering the periods ended 30 June 2019 to 30 June 2021.

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

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

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

Sergio Cardoso
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditors, Chartered Accountants
London
17 September 2021

Consolidated income statement

for the year ended 30 June 2021

	Notes	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Continuing operations			
Revenue	3	**113,027**	113,075
Operating expenses before amortisation of intangibles excluding computer software, impairment and adjusting items		**(96,378)**	(99,044)
Impairment of goodwill, intangible assets and property, plant and equipment	4a	**(14,834)**	—
Amortisation of intangible assets excluding computer software	4b	**(3,400)**	(4,797)
Adjusting items	4b	**(2,970)**	(625)
Operating expenses	5	**(117,582)**	(104,466)
Other income – gain on disposal of business operations	11	**3,394**	—
Other income – gain on disposal of subsidiary	11	**770**	—
Operating (loss)/profit		**(391)**	8,609
Net finance costs	6	**(1,634)**	(2,175)
(Loss)/profit before tax		**(2,025)**	6,434
Taxation	7	**(2,522)**	(1,760)
(Loss)/profit for the year attributable to owners of the parent		**(4,547)**	4,674
(Loss)/earnings per share:			
Basic (p)	9	**(5.18)**	5.33
Diluted (p)	9	**(5.18)**	5.26

The notes on pages 88 to 119 are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

for the year ended 30 June 2021

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
(Loss)/profit for the year	**(4,547)**	4,674
Other comprehensive (expense)/income:		
Items that may be reclassified subsequently to the income statement		
Fair value movements on interest rate swaps, net of tax	**93**	116
Currency translation differences	**(1,732)**	513
Fair value movements of net investment hedges, net of tax	**762**	(237)
Other comprehensive (expense)/income for the year, net of tax	**(877)**	392
Total comprehensive (expense)/income for the year attributable to owners of the parent	**(5,424)**	5,066

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 7. The notes on pages 88 to 119 are an integral part of these financial statements.

Balance sheets

as at 30 June 2021

	Notes	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Non-current assets					
Goodwill	12	**65,833**	77,876	**—**	—
Intangible assets	13	**14,000**	19,712	**—**	—
Property, plant and equipment	14	**9,277**	16,894	**4,833**	8,834
Investment in subsidiaries	15	**—**	—	**49,420**	49,420
Deferred consideration receivable		**1,585**	2,163	**—**	—
Derivative financial instruments	17	**57**	—	**57**	—
Deferred tax assets	21	**1,364**	1,189	**439**	117
		92,116	117,834	**54,749**	58,371
Current assets					
Trade and other receivables	16	**28,698**	25,526	**106,964**	79,976
Deferred consideration receivable		**250**	—	**—**	—
Current tax assets		**312**	1,314	**—**	—
Cash and cash equivalents		**7,374**	21,426	**2,702**	7,004
Assets held for sale	14	**1,588**	—	**—**	—
		38,222	48,266	**109,666**	86,980
Total assets		**130,338**	166,100	**164,415**	145,351
Current liabilities					
Trade and other payables	18	**(54,959)**	(58,495)	**(37,167)**	(33,514)
Current tax liabilities		**—**	—	**(170)**	(173)
Lease liabilities	24	**(2,356)**	(2,660)	**(1,606)**	(1,455)
Derivative financial instruments	17	**—**	(59)	**—**	(59)
Borrowings	19	**(3,644)**	—	**—**	—
Provisions	25	**(461)**	—	**—**	—
		(61,420)	(61,214)	**(38,943)**	(35,201)
Non-current liabilities					
Borrowings	19	**(20,430)**	(48,495)	**—**	(20,181)
Lease liabilities	24	**(8,386)**	(10,461)	**(7,357)**	(8,624)
Deferred tax liabilities	21	**(2,054)**	(2,524)	**—**	—
Provisions	25	**(1,381)**	—	**—**	—
		(32,251)	(61,480)	**(7,357)**	(28,805)
Total liabilities		**(93,671)**	(122,694)	**(46,300)**	(64,006)
Net assets		**36,667**	43,406	**118,115**	81,345
Equity					
Share capital	22	**4,380**	4,380	**4,380**	4,380
Share premium	22	**45,225**	45,225	**45,225**	45,225
Treasury and ESOT reserves	22	**(701)**	(590)	**(78)**	(93)
Share based payments reserve		**1,390**	1,195	**1,390**	1,195
Translation reserve		**2,069**	3,801	**—**	—
(Accumulated losses)/retained earnings		**(15,696)**	(10,605)	**67,198**	30,638
Total equity		**36,667**	43,406	**118,115**	81,345

Wilmington plc, the parent company, recorded a profit of £37,865,000 (2020: £678,000) during the year.

The notes on pages 88 to 119 are an integral part of these consolidated financial statements. The financial statements on pages 82 to 119 were approved and authorised for issue by the Board and signed on their behalf on 17 September 2021.

Mark Milner
Chief Executive Officer

Guy Millward
Chief Financial Officer

Registered number: 03015847

Statements of changes in equity

for the year ended 30 June 2021

	Share capital, share premium, ESOT shares and treasury shares (note 22) £'000	Share based payments reserve £'000	Translation reserve £'000	Accumulated losses £'000	Total equity £'000
Group					
At 30 June 2019	49,506	839	3,288	(10,765)	42,868
Effect of initial application of IFRS 16	—	—	—	(180)	(180)
Tax relating to initial application of IFRS 16	—	—	—	34	34
At 1 July 2019	49,506	839	3,288	(10,911)	42,722
Profit for the year	—	—	—	4,674	4,674
Other comprehensive income/(expense) for the year	—	—	513	(121)	392
	49,506	839	3,801	(6,358)	47,788
Transactions with owners:					
Dividends paid	—	—	—	(4,378)	(4,378)
Issue of share capital	3	(242)	—	239	—
ESOT share purchases	(497)	—	—	—	(497)
Sale of treasury shares	3	—	—	—	3
Share based payments	—	598	—	—	598
Tax on share based payments	—	—	—	(108)	(108)
At 30 June 2020	49,015	1,195	3,801	(10,605)	43,406
Loss for the year	—	—	—	(4,547)	(4,547)
Other comprehensive (expense)/income for the year	—	—	(1,732)	855	(877)
	49,015	1,195	2,069	(14,297)	37,982
Transactions with owners:					
Dividends paid	—	—	—	(1,829)	(1,829)
Performance share plan awards vesting settled via ESOT	137	(241)	—	104	—
ESOT share purchases	(263)	—	—	—	(263)
Sale of treasury shares	15	—	—	—	15
Share based payments	—	436	—	—	436
Tax on share based payments	—	—	—	326	326
At 30 June 2021	**48,904**	**1,390**	**2,069**	**(15,696)**	**36,667**

Statements of changes in equity continued

for the year ended 30 June 2021

	Share capital, share premium and treasury shares (note 22) £'000	Share based payments reserve £'000	Retained earnings £'000	Total £'000
Company				
At 30 June 2019	49,506	839	34,266	84,611
Effect of initial application of IFRS 16	—	—	(141)	(141)
At 1 July 2019	49,506	839	34,125	84,470
Profit for the year	—	—	678	678
Other comprehensive income for the year	—	—	82	82
	49,506	839	34,885	85,230
Dividends paid	—	—	(4,378)	(4,378)
Issue of share capital	3	(242)	239	—
Sale of treasury shares	3	—	—	3
Share based payments	—	598	—	598
Tax on share based payments	—	—	(108)	(108)
At 30 June 2020	49,512	1,195	30,638	81,345
Profit for the year	—	—	37,865	37,865
Other comprehensive income for the year	—	—	94	94
	49,512	1,195	68,597	119,304
Dividends paid	—	—	(1,829)	(1,829)
Performance share plan awards vesting settled via ESOT	—	(241)	104	(137)
Sale of treasury shares	15	—	—	15
Share based payments	—	436	—	436
Tax on share based payments	—	—	326	326
At 30 June 2021	**49,527**	**1,390**	**67,198**	**118,115**

The notes on pages 88 to 119 are an integral part of these consolidated financial statements.

Cash flow statements

for the year ended 30 June 2021

The notes on pages 88 to 119 are an integral part of these consolidated financial statements.

	Notes	Group Year ended 30 June 2021 £'000	Group Year ended 30 June 2020 £'000	Company Year ended 30 June 2021 £'000	Company Year ended 30 June 2020 £'000
Cash flows from operating activities					
Cash generated from operations before adjusting items	29	**17,290**	26,512	**20,384**	10,921
Cash flows for adjusting items – operating activities		**(339)**	(293)	**—**	(250)
Cash flows from share based payments		**9**	(16)	**9**	(16)
Cash generated from operations		**16,960**	26,203	**20,393**	10,655
Interest paid		**(1,196)**	(1,632)	**(246)**	(167)
Tax paid		**(2,697)**	(4,377)	**(2,097)**	(3,225)
Net cash generated from operating activities		**13,067**	20,194	**18,050**	7,263
Cash flows from investing activities					
Disposal of subsidiary	11	**400**	—	**—**	—
Disposal of business operations	11	**4,144**	—	**—**	—
Deferred consideration paid		**—**	(1,957)	**—**	—
Deferred consideration received		**250**	200	**—**	—
Cash flows for adjusting items – investing activities		**(151)**	(217)	**(151)**	(217)
Purchase of property, plant and equipment		**(1,047)**	(538)	**—**	—
Proceeds from disposal of property, plant and equipment		**103**	27	**—**	—
Purchase of intangible assets		**(1,969)**	(3,315)	**—**	—
Net cash generated from/(used in) investing activities		**1,730**	(5,800)	**(151)**	(217)
Cash flows from financing activities					
Dividends paid to owners of the parent		**(1,829)**	(4,378)	**(1,829)**	(4,378)
Share issuance costs		**—**	(3)	**—**	(3)
Payment of lease liabilities		**(2,530)**	(2,392)	**—**	—
Purchase of shares by ESOT		**(263)**	(497)	**—**	—
Fees relating to new and extended loan facility		**(191)**	(741)	**(191)**	(741)
Increase in bank loans		**2,000**	14,000	**16,000**	11,000
Decrease in bank loans		**(29,181)**	(7,000)	**(36,181)**	(4,000)
Net cash (used in)/generated from financing activities		**(31,994)**	(1,011)	**(22,201)**	1,878
Net (decrease)/increase in cash and cash equivalents, net of bank overdrafts		**(17,197)**	13,383	**(4,302)**	8,924
Cash and cash equivalents, net of bank overdrafts at beginning of the year		**21,426**	7,921	**7,004**	(1,920)
Exchange (loss)/gain on cash and cash equivalents		**(499)**	122	**—**	—
Cash and cash equivalents, net of bank overdrafts at end of the year		**3,730**	21,426	**2,702**	7,004
Reconciliation of net debt					
Cash and cash equivalents at beginning of the year		**21,426**	7,921	**7,004**	787
Bank overdrafts at beginning of the year		**—**	—	**—**	(2,707)
Bank loans at beginning of the year	19	**(49,082)**	(41,790)	**(20,181)**	(13,147)
Lease liabilities at beginning of the year		**(13,121)**	—	**(10,079)**	—
Net debt at beginning of the year		**(40,777)**	(33,869)	**(23,256)**	(15,067)
Net (decrease)/increase in cash and cash equivalents, net of bank overdrafts		**(17,696)**	13,505	**(4,302)**	8,924
Net repayment/(drawdown) in bank loans		**27,181**	(7,000)	**20,181**	(7,000)
Exchange gain/(loss) on bank loans		**941**	(292)	**—**	(34)
Movement in lease liabilities/(transition to IFRS 16)		**2,379**	(13,121)	**1,116**	(10,079)
Cash and cash equivalents at end of the year		**7,374**	21,426	**2,702**	7,004
Bank overdrafts at end of the year		**(3,644)**	—	**—**	—
Bank loans at end of the year	19	**(20,960)**	(49,082)	**—**	(20,181)
Lease liabilities at end of the year		**(10,742)**	(13,121)	**(8,963)**	(10,079)
Net debt at end of the year		**(27,972)**	(40,777)	**(6,261)**	(23,256)

Notes to the financial statements

General information

The Company is a public company limited by shares, incorporated and domiciled in the UK. The address of its registered office is 10 Whitechapel High Street, London E1 8QS.

The Company is listed on the Main Market on the London Stock Exchange. The Company is a provider of data information, training and education to the professional markets.

1. Statement of accounting policies

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

a) Basis of preparation

The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), including International Accounting Standards ('IAS') and interpretations issued by the IFRS Interpretations Committee ('IFRS IC') applicable to companies reporting under IFRS, adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and international accounting standards in conformity with the requirements of the Companies Act 2006.

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

The Group meets its day-to-day working capital requirements through its bank facilities, the terms and conditions of which are set out in note 20 on pages 107 to 113. The current economic conditions in which the Group operates continue to create uncertainty over the level of demand for the Group's products.

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

Going concern

The Directors have performed a detailed viability assessment to consider the future prospects of the Group, taking into account a range of severe but plausible scenarios that could cause disruption and impact viability. This assessment concludes that for the foreseeable future the Group should continue to maintain headroom in respect of liquidity and the covenant limits set by its banking syndicate.

The Group has also performed a detailed analysis to support the use of the going concern basis in preparing its consolidated financial statements for the year ended 30 June 2021, covering an assessment period ended 30 September 2022.

Assessment process

Management prepared forecasts for the assessment period to provide a 'base case' scenario, considered to reflect the most likely outcome based on detailed analysis of current trading, expected future trends, and potential impact of known risks. The results of this base case scenario modelling demonstrate considerable headroom in relation to liquidity limits and covenant compliance at all relevant testing dates. The subsequent analysis focussed on applying 'reverse stress testing' to the base case to demonstrate the conditions under which a threat to business continuity could materialise.

All scenarios modelled in the stress testing exercise demonstrated that there is significant liquidity headroom throughout the going concern forecast period. The review therefore focussed most heavily on banking covenant compliance. The reverse stress testing exercise demonstrated that there would need to be a significant and sustained drop in the Group's profitability and associated increase in the net debt position to trigger a covenant breach. To determine the likelihood of this scenario occurring, extreme downside assumptions were applied to the base case as follows:

- cancellation of flagship events assumed to return in the base case scenario;
- a 3% reduction in revenue from FY21, a comparator already reflecting Covid-19 related downside; and
- more aggressive recessionary impact across the whole product portfolio.

The application of these downside assumptions reduced headroom against covenant compliance, but still did not trigger a covenant breach at any relevant testing date. The Board therefore considers it extremely unlikely that a covenant breach would occur within the assessment period. To gain further assurance over this conclusion, it has however considered a range of mitigative actions that could be applied to protect the Group's position as follows:

- reduce controllable costs for example, limiting pay rises and discretionary bonuses, recruitment freezes and travel restrictions;
- optimise working capital by negotiating longer payment terms whilst continuing to pay suppliers in full;
- limit capital expenditure on new product development; and
- implement strategic action in respect of the Group's asset base.

Based on the assessment performed, together with the performance of the Group to date in the financial year ended 30 June 2022, the Directors consider that the Group will continue to maintain significant headroom in respect of its liquidity and covenants for the foreseeable future. Accordingly the Directors have concluded that it was appropriate to adopt the going concern basis in preparing the financial statements.

b) New standards and interpretations

There was no material effect from the adoption of any new standards or interpretations in the year ended 30 June 2021, including:

International Financial Reporting Standards (IFRS/IAS)	Description	Effective for accounting periods starting after
Amendments to IAS 1 and IAS 8	Definition of Material	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	1 January 2020
Amendment to IFRS 16	Covid-19-Related Rent Concessions	1 April 2021

Notes to the financial statements continued

1. Statement of accounting policies continued

b) New standards and interpretations continued

New standards and interpretations not yet effective

The International Accounting Standards Board ('IASB') and International Financial Reporting Interpretations Committee ('IFRIC') have issued new standards and interpretations with an effective date after the year starting 1 July 2021.

International Financial Reporting Standards (IFRS/IAS)	Description	Effective for accounting periods starting after
Amendments to IFRS 9 and IFRS 16	Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before intended use	1 January 2022
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 17 Insurance Contracts	IFRS 17 Insurance Contracts	1 January 2023
Amendments to IAS 1	Disclosure of Accounting Policies and Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	1 January 2023

Management is currently assessing the impact of the above new standards. During the year to 30 June 2022 the Group will put in place necessary processes to capture all of the adjustments and additional disclosures required for those standards taking effect before this date.

The Group does not anticipate that the adoption of the remaining standards and interpretations that are effective for the year ending 30 June 2022 will have a material effect on its financial statements.

c) Critical accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for income and expenses during the year and that affect the amounts reported for assets and liabilities at the reporting date. For this reporting date there are no significant judgments, however the estimates and assumptions are outlined below.

Goodwill and intangible assets

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

Provisions

Management makes estimates and assumptions in measuring the carrying value of provisions. The measurement of provisions is subject to estimates given the extended time-period and variables which are not all within the Group's control. For further details please refer to note 25.

d) Basis of consolidation

The Group's consolidated financial statements incorporate the results and net assets of Wilmington plc and all its subsidiary undertakings made up to 30 June each year. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

They are deconsolidated from the date that control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All inter-group transactions, balances, income and expenses are eliminated on consolidation; however, for the purposes of segmental reporting, internal arm's length recharges are included within the appropriate segments.

e) Business combinations

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

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

f) Impairment of non-financial assets

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

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

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

Notes to the financial statements continued

1. Statement of accounting policies continued

g) Foreign currencies

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

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

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

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

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

h) Revenue

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

The Group's revenue comprises different types of product and services across the two divisions as follows:

- Subscription income for online services, information and journals is normally received in advance and is therefore recorded as deferred revenue on the balance sheet. Revenue is then recognised evenly over time as the performance obligations are satisfied over the term of the subscription. These revenue streams relate to one performance obligation that is settled over time using the outputs method on a straight line basis as the customer simultaneously receives and consumes the benefit from the service.
- Revenue is recognised on the sale of books, journals, hard copy training material, research projects and similar publications once the product has been delivered to the customer. These revenue streams relate to one performance obligation that is settled at a point in time as Wilmington has a right to payment once control of the asset is transferred to the customer.
- Advertising in hard copy publications is recognised on the issue of the related publication. This revenue stream relates to one performance obligation that is settled at a point in time as Wilmington has a right to payment once the advertising is published in the hard copy publication.
- Marketing and advertising services revenues are recognised over the period of the advertising subscription or over the period when the marketing service is provided. When payment is received in advance it is recorded on the balance sheet as deferred revenue and revenue is then recognised over time as the performance obligations are satisfied over the term of the contract. These revenue streams relate to one performance obligation that is settled over time using the outputs method on a straight line basis as the customer simultaneously receives and consumes the benefit from the service.
- Revenue from the licence of static data reports is recognised once the data has been delivered to the customer. This revenue stream relates to one performance obligation that is settled at a point in time as Wilmington has a right to payment once control of the asset is transferred to the customer.
- Revenue from the licence of static data reports where the customer has access to the data for a finite period of time and the reports have significant updates during that period is recognised over the period of the contract. When payment is received in advance it is recorded on the balance sheet as deferred revenue and revenue is then recognised over time as the performance obligations are satisfied over the term of the contract. This revenue stream relates to one performance obligation that is settled over time using the outputs method on a straight line basis as the customer simultaneously receives and consumes the benefit from the service.
- Revenue from licences to dynamic data that is updated on an ongoing basis is recognised over the period of the contract. When payment is received in advance it is recorded on the balance sheet as deferred revenue and revenue is then recognised over time as the performance obligations are satisfied over the term of the contract. This revenue stream relates to one performance obligation that is settled over time using the outputs method on a straight line basis as the customer simultaneously receives and consumes the benefit from the service.
- Revenue from training courses where the training is delivered as an ongoing process, is recognised on a straight line basis over the period that the training is provided to the customer. When payment is received in advance it is recorded on the balance sheet as deferred revenue and revenue is then recognised over time as the performance obligations are satisfied over the term of the contract. This revenue stream relates to one performance obligation that is settled over time using the outputs method on a straight line basis as the customer simultaneously receives and consumes the benefit from the service.
- Revenue from training courses where the Group provides in-house training to corporate customers is recognised on completion of the training course. This revenue stream relates to one performance obligation that is settled at a point in time as Wilmington has a right to payment once the service has been delivered to the customer.
- Revenue from the memberships of professional organisations is recognised on a straight line basis over the period of membership. When payment is received in advance it is recorded on the balance sheet as deferred revenue and revenue is then recognised over time as the performance obligations are satisfied over the term of the contract. This revenue stream relates to one performance obligation that is settled over time using the outputs method on a straight line basis as the customer simultaneously receives and consumes the benefit from the service.
- Networking revenue comprises exhibitions, conferences and events (collectively known as events). Revenue typically includes attendee fees, event sponsorship and advertising which is recognised when the event is held. Customers and sponsors are often required to pay in advance before commencement of the event, and these advance receipts are recognised as deferred revenue on the balance sheet from the point at which they become due. This revenue stream relates to one performance obligation that is settled at a point in time as Wilmington has a right to payment once the service has been delivered to the customer.

i) Operating expenses

In accordance with IAS 1 paragraph 102, expenses are presented in the accounts based on their nature. Operating expenses comprise of cost of sales and administrative costs. Distribution costs are not separately identified due to the digital nature of our products as they are considered immaterial. Costs of sales are all direct costs, including third-party costs and staff costs, associated directly with the production of a product, event or service and are charged to the income statement as incurred. At each reporting date a prepayment is recognised for any third-party costs which are paid for, in advance of the relevant event being run except in relation to marketing costs. Administrative costs are additional operational costs that are not directly associated with the production of a product, event or service. This includes expenses relating central administrative and management functions and are expensed to the income statement as incurred.

Notes to the financial statements continued

1. Statement of accounting policies continued

j) Government grants

In accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, the Group recognises receipt of conditional Government grants intended to compensate the Group for expenses incurred. Each grant is recognised at fair value when there are reasonable assurances they will be received, and any qualifying conditions have been complied with. The grants are subsequently presented in the income statement on a systematic basis in the period that the expenses, for which the grants are compensating, are recognised. The Group elects to set grant income off against the associated expenditure, rather than present it as Other Income.

k) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's Board of Directors (the 'Board') which is considered as the Group's chief operating decision maker and is responsible for allocating resources and assessing performance of the operating segments. The Board considers the business from both a geographic and product perspective. Geographically, management considers the performance of the Group between the UK, Europe (excluding the UK), North America and the Rest of the World.

l) Adjusting items

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

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

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

m) Current and deferred income tax

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

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

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

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

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

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

n) Dividends

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

o) Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation.

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

Computer software	20–33% per annum
Databases	8–20% per annum
Customer relationships	8–33% per annum
Brands	5–20% per annum
Publishing rights and titles	5–10% per annum

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

Notes to the financial statements continued

1. Statement of accounting policies continued

p) Property, plant and equipment

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

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

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

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

q) Investments in subsidiaries

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

r) Financial instruments

Financial assets

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

Loans and other receivables

Loans and other receivables are measured based on the Group's business model for managing the financial asset and its contractual cash flow characteristics. Loans and other receivables are initially recognised at fair value plus transaction costs. They are subsequently carried at amortised cost using the effective interest method less any expected credit losses, with changes in carrying value recognised in the income statement.

Loans and other receivables are classified as current assets if they mature within twelve months of the reporting date, but are otherwise classified as non-current assets.

Trade receivables

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

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

The Group measures its trade receivables at amortised cost for the purposes of IFRS 9.

Cash and cash equivalents

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

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

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost and debt instruments at fair value through other comprehensive income. Expected credit losses are updated at each reporting date to reflect changes in credit risk.

The expected credit loss is based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial assets, general economic conditions and an assessment of the current and forecast conditions at the reporting date.

Financial liabilities

Trade and other payables

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

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

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

Provisions

Provisions are recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle it. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate discount rate.

Loans and other borrowings

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

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

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

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

Financial instruments and hedge accounting

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

Notes to the financial statements continued

1. Statement of accounting policies continued

r) Financial instruments continued

Financial instruments that do not qualify for hedge accounting

To qualify for hedge accounting under IFRS 9, a financial instrument must be designated as a hedging instrument at inception, hedge documentation must be prepared and the hedge must be expected to be effective using the hedge ratio. The effectiveness of the hedge is then tested at each reporting date prospectively, and hedge accounting may be continued only if the hedge remains effective. Hedge accounting is discontinued when the hedging instrument expires, or is sold, terminated or no longer qualifies for hedge accounting, or if the Group chooses to end the hedge relationship. A financial instrument designated for hedge accounting is initially recognised at fair value. For cash flow hedges (e.g. interest rate swaps), the gains or losses on re-measurement to fair value that correspond to the effective part of the hedge are recognised directly in equity; those that correspond to the ineffective part, if any, are recognised in the income statement. For net investment hedges (loans and borrowings in foreign currencies that are designated as a hedge of a net investment in a foreign operation), the translation differences that correspond to the effective part of the hedge are recognised directly in equity; those that correspond to the ineffective part, if any, are recognised in the income statement.

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

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

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

Financial instruments that do qualify for hedge accounting

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

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

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

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

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

s) Retirement benefits

The Group does not operate a defined benefit pension scheme.

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

t) Share based payments

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

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

Notes to the financial statements continued

1. Statement of accounting policies continued

u) Leases

The Group recognises a right-of-use asset and corresponding liability at the date the leased asset is made available for use by the Group.

The liability is measured at the present value of future lease payments over the lease term including fixed payments, in-substance fixed payments, and variable lease payments that are based on an index or a rate, less any lease incentives receivable. The liability includes any payments to be made under extension options which are reasonably certain to be exercised. The lease payments are discounted using the interest rate implicit in the lease, where this rate cannot be determined an incremental borrowing rate is used. The incremental borrowing rate is determined with reference to the rate that the lessee would pay to borrow the funds necessary to obtain an asset of similar value, in a similar economic environment, with similar terms and conditions, adjusted for the country-specific risk of the lessee. The Group records an interest charge in respect of the lease liability over the lease term.

The right-of-use asset is measured at cost, based on the value of the initial measurement of the associated lease liability, adjusted for any lease payments already made less any lease incentives received, initial direct costs incurred, and any dilapidation or restoration costs required by the terms and conditions of the lease. The right-of-use asset is depreciated over the term of the lease on a straight line basis, or if shorter, over the leased asset's useful economic life.

When an adjustment to lease payments based on an index or rate takes effect, the liability is re-measured with a corresponding adjustment to the associated right-of-use asset.

The Group recognises an expense in the consolidated income statement in respect of short term leases (being those with an initial term of twelve months or less) and leases of low-value items on a straight line basis over the life of the lease.

v) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The share premium reserve represents the amount paid to the Company by shareholders above the nominal value of shares issued.

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

2. Measures of profit

Reconciliation to profit on continuing activities before tax

To provide shareholders with additional understanding of the trading performance of the Group, adjusted EBITA has been calculated as profit before tax after adding back:

- impairment of goodwill, intangible assets and property, plant and equipment;
- amortisation of intangible assets excluding computer software;
- adjusting items (included in operating expenses);
- other income – gain on disposal of subsidiary;
- other income – gain on disposal of business operations; and
- net finance costs.

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

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
(Loss)/profit before tax	**(2,025)**	6,434
Impairment of goodwill, intangible assets and property, plant and equipment	**14,834**	—
Amortisation of intangible assets excluding computer software	**3,400**	4,797
Adjusting items (included in operating expenses)	**2,970**	625
Other income – gain on disposal of business operations	**(3,394)**	—
Other income – gain on disposal of subsidiary	**(770)**	—
Adjusted profit before tax	**15,015**	11,856
Net finance costs	**1,634**	2,175
Adjusted operating profit ('adjusted EBITA')	**16,649**	14,031
Depreciation of property, plant and equipment included in operating expenses	**3,399**	3,199
Amortisation of intangible assets – computer software	**2,416**	2,080
Adjusted EBITA before depreciation ('adjusted EBITDA')	**22,464**	19,310

Notes to the financial statements continued

3. Segmental information

In accordance with IFRS 8 the Group's operating segments are based on the operating results reviewed by the Board, which represents the chief operating decision maker.

During the year, the Group reorganised its business into two Divisions (Training & Education and Information & Data). Further details on the nature of these segments and the services they provide are contained in the Strategic report.

The Group's dynamic portfolio provides customers with a range of information, data, training and education solutions. The two divisions (Training & Education and Information & Data) 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, Europe (excluding the UK), North America and the Rest of the World.

a) Business segments

	Revenue Year ended 30 June 2021 £'000	Profit Year ended 30 June 2021 £'000	Revenue Year ended 30 June 2020 £'000	Profit Year ended 30 June 2020 £'000
Training & Education	**56,211**	**12,197**	56,474	7,933
Information & Data	**56,816**	**9,320**	56,601	11,077
Group total	**113,027**	**21,517**	113,075	19,010
Unallocated central overheads	**—**	**(4,302)**	—	(4,255)
Share based payments	**—**	**(566)**	—	(724)
	113,027	**16,649**	113,075	14,031
Impairment of goodwill, intangible assets and property, plant and equipment		**(14,834)**		—
Amortisation of intangible assets excluding computer software		**(3,400)**		(4,797)
Adjusting items (included in operating expenses)		**(2,970)**		(625)
Other income – gain on disposal of business operations		**3,394**		—
Other income – gain on disposal of subsidiary		**770**		—
Net finance costs		**(1,634)**		(2,175)
(Loss)/profit before tax		**(2,025)**		6,434
Taxation		**(2,522)**		(1,760)
(Loss)/profit for the financial year		**(4,547)**		4,674

There are no intra-segmental revenues which are material for disclosure. Unallocated central overheads represent central costs that are not specifically allocated to segments. Total assets and liabilities for each reportable segment are not presented; as such, information is not provided to the Board.

b) Segmental information by geography

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

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
UK	**61,999**	65,793
Europe (excluding the UK)	**23,304**	21,037
North America	**15,042**	18,042
Rest of the World	**12,682**	8,203
Total revenue	**113,027**	113,075

c) Timing of revenue recognition

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

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Revenue from products and services transferred at a point in time	**41,583**	59,524
Revenue from products and services transferred over time	**71,444**	53,551
Total revenue	**113,027**	113,075

The value of revenue recognised in the year which was included in subscriptions and deferred revenue at the start of the year was £31,465,000 (2020: £30,794,000).

Notes to the financial statements continued

4. (Loss)/profit from continuing operations

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

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Depreciation of property, plant and equipment – included in operating expenses	**3,399**	3,199
Short term and low-value leases	**486**	308
Amortisation of intangible assets – computer software	**2,416**	2,080
Loss/(profit) on disposal of property, plant and equipment	**2**	(7)
Share based payments (including social security costs)	**566**	724
Amortisation of intangible assets excluding computer software	**3,400**	4,797
Adjusting items (included in operating expenses)	**2,970**	625
Gain on disposal of business operations	**(3,394)**	—
Gain on disposal of subsidiary	**(770)**	—
Research and development expenditure credit	**(290)**	—
Impairment of goodwill, intangible assets and property, plant and equipment	**14,834**	—
Foreign exchange (gain)/loss	**(24)**	14
Fees payable to the auditors for the audit of the Company and consolidated financial statements	**95**	87
Fees payable to the auditors and their associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	**182**	152
– Audit related other services	**15**	15

The impairment of goodwill, intangible assets and property, plant and equipment relates to:

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Goodwill	**9,873**	—
Intangible assets	**1,516**	—
Property, plant and equipment	**3,445**	—
	14,834	—

b) Adjusting items

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

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Costs relating to strategic activities	**1,128**	218
Increase in liability for deferred consideration	**—**	407
Costs relating to the consolidation of office space	**1,842**	—
Other adjusting items (included in operating expenses)	**2,970**	625
Impairment of goodwill, intangible assets and property, plant and equipment	**14,834**	—
Amortisation of intangible assets excluding computer software	**3,400**	4,797
Total adjusting items (classified in profit before tax)	**21,204**	5,422

The costs relating to strategic activities in the year to 30 June 2021 are in respect of strategic reviews of two of the Group's businesses, Central Law Training Limited and Wilmington Inese SL, in addition to strategic costs associated with the disposal of business operations. The costs relating to the consolidation of office space relate to the recognition of an onerous provision in respect of future costs associated with the portion of the head office no longer in use.

Notes to the financial statements continued

5. Operating expenses

	Year ended 30 June 2021			Year ended 30 June 2020		
	Cost of sales £'000	**Administration £'000**	**Total £'000**	Cost of sales £'000	Administration £'000	Total £'000
Operating expenses before depreciation and amortisation	**86,167**	**4,396**	**90,563**	89,363	4,402	93,765
Depreciation of property, plant and equipment	**3,399**	**–**	**3,399**	3,199	–	3,199
Amortisation of intangible assets – computer software	**2,416**	**–**	**2,416**	2,080	–	2,080
Operating expenses before amortisation of intangibles excluding computer software, impairment and adjusting items	**91,982**	**4,396**	**96,378**	94,642	4,402	99,044
Amortisation of intangible assets – databases	**826**	**–**	**826**	1,673	–	1,673
Amortisation of intangible assets – customer relationships	**1,052**	**–**	**1,052**	1,309	–	1,309
Amortisation of intangible assets – brands	**1,016**	**–**	**1,016**	1,241	–	1,241
Amortisation of intangible assets – publishing rights and titles	**506**	**–**	**506**	574	–	574
Impairment of goodwill, intangible assets and property, plant and equipment	**–**	**14,834**	**14,834**	–	–	–
Other adjusting items (note 4b)	**–**	**2,970**	**2,970**	–	625	625
Operating expenses	**95,382**	**22,200**	**117,582**	99,439	5,027	104,466

6. Net finance costs

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Net finance costs comprise:		
Interest payable on bank loans and overdrafts	**1,437**	1,587
Unwinding of the discount on royalty payments receivable	**(139)**	(142)
Bank arrangement fees	**–**	388
Notional interest on lease liabilities	**336**	342
	1,634	2,175

7. Taxation

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Current tax		
UK corporation tax at current rates on UK profits for the year	**2,327**	1,859
Adjustments in respect of previous years	**30**	30
	2,357	1,889
Foreign tax	**993**	769
Adjustments in respect of previous years	**(21)**	(75)
Total current tax	**3,329**	2,583
Total deferred tax	**(807)**	(823)
Taxation	**2,522**	1,760

Notes to the financial statements continued

7. Taxation continued

Factors affecting the tax charge for the year:

The effective tax rate is higher (2020: higher) than the average rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
(Loss)/profit before tax	**(2,025)**	6,434
(Loss)/profit before tax multiplied by the average rate of corporation tax in the year of 19.00% (2020: 19.00%)	**(385)**	1,222
Tax effects of:		
Impairment of goodwill, intangible assets and property, plant and equipment	**2,818**	—
Foreign tax rate differences	**177**	48
Adjustment in respect of previous years	**9**	(45)
Other items not subject to tax	**(230)**	328
Effect on deferred tax of change of corporation tax rate	**133**	207
Taxation	**2,522**	1,760

Deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal.

The Company's profits for this accounting year are taxed at an effective rate of (125.0%) (2020: 27.4%).

Included in other comprehensive income are a tax charge of £22,000 (2020: £27,000) and a tax debit of £179,000 (2020: credit of £55,000) relating to the interest rate swaps and net investment hedges respectively.

The tax effect of adjusting items as disclosed in note 9 is a credit of £558,000 (2020: £712,000).

8. Dividends

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

	Year ended 30 June 2021 Pence per share	Year ended 30 June 2020 Pence per share	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Final dividends recognised as distributions in the year	**—**	5.0	**—**	4,378
Interim dividends recognised as distributions in the year	**2.1**	—	**1,829**	—
Total dividends paid			**1,829**	4,378
Final dividend proposed	**3.9**	—	**3,415**	—

9. (Loss)/earnings per share

Adjusted earnings per share has been calculated using adjusted earnings calculated as profit after taxation attributable to owners of the parent but before:

- impairment of goodwill, intangible assets and property, plant and equipment;
- amortisation of intangible assets excluding computer software;
- adjusting items (included in operating expenses);
- other income – gain on disposal of subsidiary; and
- other income – gain on disposal of business operations.

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

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
(Loss)/earnings from continuing operations for the purpose of basic earnings per share	**(4,547)**	4,674
Add/(remove):		
Impairment of goodwill, intangible assets and property, plant and equipment	**14,834**	—
Amortisation of intangible assets excluding computer software	**3,400**	4,797
Adjusting items (included in operating expenses)	**2,970**	625
Other income – gain on disposal of business operations	**(3,394)**	—
Other income – gain on disposal of subsidiary	**(770)**	—
Tax effect of adjustments above	**(558)**	(712)
Adjusted earnings for the purposes of adjusted earnings per share	**11,935**	9,384

	Number	Number
Weighted average number of ordinary shares for the purposes of basic and adjusted earnings per share	**87,603,917**	87,590,511
Effect of dilutive potential ordinary shares:		
Future exercise of share awards and options	**410,301**	1,254,878
Weighted average number of ordinary shares for the purposes of diluted and adjusted diluted earnings per share	**88,014,218**	88,845,389
Basic (loss)/earnings per share	**(5.18p)**	5.33p
Diluted (loss)/earnings per share	**(5.18p)**	5.26p
Adjusted basic earnings per share ('adjusted earnings per share')	**13.62p**	10.71p
Adjusted diluted earnings per share	**13.56p**	10.56p

Potentially dilutive share options are only considered in relation to adjusted earnings per share as the Group made a basic loss per share.

Notes to the financial statements continued

10. Results of Wilmington plc

Wilmington plc, the parent company, recorded a profit of £37,865,000 (2020: £678,000) during the year.

11. Disposals

In the year ended 30 June 2021 the Group disposed of the following subsidiary and business operations:

	Country	Date of disposal	Share/asset deal
Central Law Training Scotland Limited	UK	16 December 2020	Share deal
AP Pensions	UK	28 May 2021	Asset deal
Ark Publishing book list	UK	30 April 2021	Asset deal

The disposals were executed in line with the Group's strategy to simplify its structure and to focus attention on businesses that operate in the GRC and Regulatory Compliance markets. These business operations were classified as continuing operations until their respective disposal dates. In total the Group recognised a gain on disposal of £4.2m presented as adjusting items.

a) Disposals of a subsidiary – Central Law Training Scotland

On 16 December 2020 the Group disposed of Central Law Training Scotland. The disposal was executed by way of the sale of 100% of the equity shares. As at the disposal date, the net assets of Central Law Training Scotland were as follows:

	£'000
Property, plant and equipment	71
Trade and other receivables	138
Amounts due from subsidiaries	1,190
Trade and other payables	(247)
Deferred income	(432)
Net assets disposed	**720**
Directly attributable costs of disposal	100
Gain on disposal	770
Fair value of consideration	**1,590**
Satisfied by:	
Cash and cash equivalents	400
Settlement of intercompany balances	1,190
	1,590

b) Disposal of a business operation – AP Pensions

On 28 May 2021 the Group disposed of AP Pensions, a business operation within Wilmington Publishing & Information Limited. At the disposal date, the net assets of AP Pensions were as follows:

	£'000
Goodwill	861
Deferred income	(406)
Net assets disposed	**455**
Directly attributable costs of disposal	295
Gain on disposal	3,344
Fair value of consideration	**4,094**
Satisfied by:	
Cash and cash equivalents	4,094
	4,094

c) Disposal of a business operation – ARK Publishing book list

In addition to the above, the Group disposed of the ARK Publishing book list, a business operation within Ark Conferences Limited, on 30 April 2021 for £50,000, settled in cash with net assets of £nil.

Notes to the financial statements continued

12. Goodwill

	£'000
Cost	
At 1 July 2019	110,256
Exchange translation differences	341
At 30 June 2020	110,597
Disposals	(1,192)
Exchange translation differences	(1,309)
At 30 June 2021	**108,096**
Accumulated impairment	
At 1 July 2019 and 30 June 2020	32,721
Disposals	(331)
Impairment	9,873
At 30 June 2021	**42,263**
Net book amount	
At 30 June 2021	**65,833**
At 30 June 2020	77,876
At 30 June 2019	77,535

Goodwill arising on business combinations is not amortised but reviewed for impairment on an annual basis, or more frequently if there are indications that goodwill may be impaired. Determining whether the carrying value of acquired goodwill is recoverable is a significant judgment given the material nature of the goodwill balance and the significant assumptions underpinning management's impairment assessment of the Group's cash generating units ('CGUs'). The Group identifies its CGUs on a business operation and geographic level. This is consistent with the way the chief operating decision maker reviews performance.

Indication of impairment

During the year, a decision was taken to discontinue the delivery of a loss-making product line in the Healthcare sub-division. This decision indicated that the associated goodwill may be impaired. Following a review, management concluded that it was appropriate to impair the remaining £1.5m goodwill relating to the investment in the discontinued product. This resulted in a reduction to the carrying value of the UK Healthcare CGU used in the annual impairment review.

Disposal

During the year a pension fund product line within the Healthcare sub-division was disposed of, which resulted in the disposal of the carrying value of goodwill associated with this product line. At the date of disposal the carrying value of this goodwill was £0.9m.

Annual impairment review

The recoverable amount for each CGU has been determined using value in use calculations. These calculations use the pre-tax future cash flow forecasts covering a three year period based on Board approved budgets. Pre-tax cash flows beyond the three year period are then extrapolated using an estimated long term growth rate of 2.0% (2020: 2.0%), providing a 'base case' scenario for the purpose of the impairment review. Key assumptions for the value in use calculations are those regarding discount rates, three year cash flow forecasts and long term growth rates.

Discount rates

Management has applied pre-tax discount rates as follows:

Territory	**Year ended 30 June 2021 (%)**	Year ended 30 June 2020 (%)
United Kingdom	**11.8**	11.2
United States	**12.9**	12.1
Spain	**12.4**	11.8
France	**12.6**	12.4

Pre-tax discounts rates are calculated on a company specific participant basis, movements in the pre-tax discount rates for CGUs since the prior year are driven by changes in Company specific market-based inputs. Management considers the pre-tax discount rates to be calculated using appropriate methodology. The rates are in in line with its peers, and the Board views the rates as accurately reflecting the return expected by a market participant.

Three year cash flow forecasts

The three year cash flow forecasts which drive the value in use calculations take into account the impact of Covid-19. They assume a return to face-to-face training or events during the year ended 30 June 2022, albeit with flexibility built into the cost base to reduce the downside impact on profit if restrictions return. Cash flow forecasts also reflect detailed consideration of the current economic environment in the relevant markets, and external projections for wider market recovery from Covid-19. When preparing forecasts management have also benefitted from customer and market insights gained in the year ended 30 June 2021, which was impacted by a full twelve month period of Covid-19 related restrictions. Whilst acknowledging the inherent ongoing economic uncertainty, management believe the cash flows reflect a reasonable scenario on which to base the valuation of CGUs.

Sensitivity to changes in assumptions

The Group has performed sensitivity testing to assess the impact of changes in assumptions on the value in use of each CGUs. The sensitivity analysis performed assessed the impact of pessimistic but reasonably possible changes to future cash flows, long term growth rates and pre-tax discount rates. With the exception of UK Healthcare, all other CGUs retained significant headroom in these sensitised calculations, leading to the conclusion that there is no realistic change of assumption that would result in carrying value to exceed its recoverable amount.

Notes to the financial statements continued

12. Goodwill continued

UK Healthcare

The UK Healthcare CGU has a relatively high goodwill carrying value, partly due to its composition of predominantly acquired, rather than internally generated, assets. As a result, the headroom on this CGU has historically been at a lower level than that related to the Group's other assets. The sensitivity analysis performed as part of the annual impairment review demonstrated that reasonably possible changes in the assumptions used resulted in the carrying value of the CGU exceeding its recoverable amount.

Whilst management are confident that the 'base case' cash flows used in the impairment assessment reflect a reasonable and likely scenario on which to base the valuation of CGUs, it also recognises that the uncertain economic environment in which the Group operates presents inherent risk to these forecasts. The healthcare industry in particular, and consequently our Healthcare business, has been disrupted by the Covid-19 pandemic and therefore uncertainty remains about the anticipated timeline for a return to pre-pandemic growth projections in this part of the Group.

Management have therefore produced a set of risk adjusted cash flows, reflecting more prudent growth assumptions in the three year forecasts for the UK Healthcare CGU. These risk adjusted cash flows are based on minimal growth assumptions for mature products, and more conservative growth assumptions for new and emerging products than those reflected in the base case forecast. The risk adjusted cash flows reflect a reduction in revenue growth from 7.6% CAGR to 4.9% CAGR over the 3 year assessment period. Management consider the risk adjusted cash flows to reflect a reasonably possible downside scenario to generate the reasonable minimum value in use for the CGU. The carrying value of the UK Healthcare CGU exceeds this risk adjusted value in use by £8.4m and therefore management have impaired the associated goodwill by this amount.

Sensitivity to changes in assumptions of risk adjusted case

The Group subsequently performed sensitivity testing to assess the impact of changes in assumptions on the revised value in use of the UK Healthcare CGU, as detailed below:

	Increase/ (decrease) in assumption %	Effect on value in use calculation £m
Long term growth rate	(25.0)	(0.7)
Pre-tax discount rate	5.0	(1.0)
Reduction in discounted cash flows	(5.0)	(0.9)

Change to cash generating units

Consistent with the disclosure made in the Group's prior year Annual Report, Interactive Medica has now been included in the UK Healthcare CGU. Management consider this appropriate following the increased integration of the UK Healthcare businesses into one single UK Healthcare business which means it is no longer possible to identify cash flows generated by Interactive Medica independently from other UK Healthcare businesses.

The following table details the net book value of each CGU:

CGU	30 June 2021 £'000	30 June 2020 £'000
UK Healthcare	11,877	21,770
Axco and Pendragon	11,150	11,150
Accountancy	8,307	8,307
Legal	6,830	6,830
AMT	6,203	6,203
Compliance	7,972	7,972
Compliance Week	4,342	4,854
FRA	6,773	7,550
Business Intelligence	2,379	3,240
	65,833	77,876

Notes to the financial statements continued

13. Intangible assets

Group	Computer software £'000	Databases £'000	Customer relationships £'000	Brands £'000	Publishing rights and titles £'000	Total £'000
Cost						
At 1 July 2019	12,174	16,771	24,969	13,757	30,393	98,064
Additions	3,215	—	—	—	100	3,315
Disposal	(62)	—	—	—	—	(62)
Exchange translation differences	111	24	135	100	—	370
At 30 June 2020	15,438	16,795	25,104	13,857	30,493	101,687
Additions	1,969	—	—	—	—	1,969
Disposal	(2,130)	—	—	—	—	(2,130)
Write-off of fully amortised intangible assets	—	(2,940)	(15,549)	(3,672)	(20,808)	(42,969)
Exchange translation differences	(139)	(90)	(399)	(237)	—	(865)
At 30 June 2021	**15,138**	**13,765**	**9,156**	**9,948**	**9,685**	**57,692**
Accumulated amortisation						
At 1 July 2019	7,850	13,810	18,720	6,782	27,689	74,851
Charge for the year	2,080	1,673	1,309	1,241	574	6,877
Disposals	(62)	—	—	—	—	(62)
Exchange translation differences	135	13	73	88	—	309
At 30 June 2020	10,003	15,496	20,102	8,111	28,263	81,975
Charge for the year	2,416	826	1,052	1,016	506	5,816
Impairment	—	—	—	1,516	—	1,516
Disposals	(2,010)	—	—	—	—	(2,010)
Write-off of fully amortised intangible assets	—	(2,940)	(15,549)	(3,672)	(20,808)	(42,969)
Exchange translation differences	(80)	(70)	(276)	(210)	—	(636)
At 30 June 2021	**10,329**	**13,312**	**5,329**	**6,761**	**7,961**	**43,692**
Net book amount						
At 30 June 2021	**4,809**	**453**	**3,827**	**3,187**	**1,724**	**14,000**
At 30 June 2020	5,435	1,299	5,002	5,746	2,230	19,712
At 30 June 2019	4,324	2,961	6,249	6,975	2,704	23,213

The impairment of £1,516,000 in the year relates to the assets associated with a discontinued loss-making product line in the Healthcare sub-division.

Notes to the financial statements continued

14. Property, plant and equipment

Group	Land, freehold and leasehold buildings £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Right-of-use assets Land and buildings £'000	Total £'000
Cost						
At 30 June 2019	5,531	3,585	3,745	397	—	13,258
Transition to IFRS 16	(273)	—	—	—	11,043	10,770
At 1 July 2019	5,258	3,585	3,745	397	11,043	24,028
Additions	—	126	369	43	2,854	3,392
Disposals	—	(23)	(114)	(63)	—	(200)
Exchange translation differences	2	17	17	—	(43)	(7)
At 30 June 2020	5,260	3,705	4,017	377	13,854	27,213
Additions	468	253	326	—	449	1,496
Disposals	—	(774)	(258)	(60)	(109)	(1,201)
Lease modifications	—	—	—	—	(725)	(725)
Asset transferred to held for sale	(2,243)	(17)	—	—	—	(2,260)
Exchange translation differences	(3)	(45)	(35)	—	(191)	(274)
At 30 June 2021	**3,482**	**3,122**	**4,050**	**317**	**13,278**	**24,249**
Accumulated depreciation						
At 30 June 2019	1,284	2,770	3,065	172	—	7,291
Charge for the year	287	263	483	72	2,094	3,199
Disposals	—	(14)	(114)	(52)	—	(180)
Exchange translation differences	(5)	35	(20)	(1)	—	9
At 30 June 2020	1,566	3,054	3,414	191	2,094	10,319
Charge for the year	436	254	421	63	2,225	3,399
Disposals	—	(774)	(159)	(51)	(41)	(1,025)
Lease modifications	—	—	—	—	(337)	(337)
Impairment	523	103	33	—	2,786	3,445
Asset transferred to held for sale	(660)	(12)	—	—	—	(672)
Exchange translation differences	(9)	(84)	(64)	—	—	(157)
At 30 June 2021	**1,856**	**2,541**	**3,645**	**203**	**6,727**	**14,972**
Net book amount						
At 30 June 2021	**1,626**	**581**	**405**	**114**	**6,551**	**9,277**
At 30 June 2020	3,694	651	603	186	11,760	16,894
At 30 June 2019	4,247	815	680	225	—	5,967

Notes to the financial statements continued

14. Property, plant and equipment continued

Company	Right-of-use assets Land and buildings £'000
Cost	
At 30 June 2019	—
Transition to IFRS 16	8,365
At 1 July 2019	8,365
Additions	1,524
30 June 2020 and 30 June 2021	**9,889**
Accumulated depreciation	
At 30 June 2019	—
Charge for the year	1,055
At 30 June 2020	1,055
Charge for the year	1,215
Impairment	2,786
At 30 June 2021	**5,056**
Net book amount	
At 30 June 2021	**4,833**
At 30 June 2020	8,834
At 30 June 2019	—

Included in land, freehold and leasehold buildings is £570,000 (2020: £970,000) of non-depreciated land.

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

As at 30 June 2021, assets classified as held for sale relate to a building marketed for sale at 30 June 2021 with a carrying value of £1,588,000. Subsequently the assets were sold on 31 August 2021.

The impairment in the year of £3,445,000 relates to the impairment of assets associated with the head office property, recognised as a result of the exercise performed to consolidate the Group's office space.

15. Investments in subsidiaries

Company	Shares in subsidiary undertakings £'000
Cost less provision at 1 July 2020 and 30 June 2021	**49,420**

The following table gives brief details of the entities controlled and included in the consolidated financial statements of the Group at 30 June 2021. Except where indicated, all of the entities are incorporated in and principally operated in the UK. Subsidiaries marked * are directly owned by Wilmington plc; all other subsidiaries are indirectly owned. Subsidiaries marked ** are companies limited by guarantee, have no ordinary shares and are controlled indirectly by Wilmington plc. Subsidiaries marked + have claimed audit exemptions for the year to 30 June 2021 under Section 479A of the Companies Act 2006. Subsidiaries marked with # were liquidated on 13 September 2021.

Name of company	UK company number	Registered address	Business	Percentage owned
Adkins & Matchett (UK) Limited+	3402949	WCH	Provision of professional training	100
Adkins, Matchett & Toy (Hong Kong) Limited (incorporated and operates in Hong Kong)	n/a	HAL	Provision of professional training	100
Adkins, Matchett & Toy Limited (incorporated and operates in the US)	n/a	WES	Provision of professional training	100
APM International SAS (incorporated and operates in France)	n/a	AVE	News information services to the healthcare industry	100
APM Media SARL (incorporated and operates in France)	n/a	AVE	News information services to the healthcare industry	100
Ark Conferences Limited+#	2931372	WCH	Provision of information and events for professional practice management	100
Ark Group Limited+#	3023875	WCH	Holding company	100
Axco Insurance Information Services Limited+	3073807	WCH	Provision of international compliance and regulatory information for the global insurance industry	100
Bond Solon Training Limited+	2271977	WCH	Witness training and conferences	100
Central Law Training Limited+#	2158821	WCH	Professional education, post-qualification training and legal conferences	100
CLT International Limited+	6309789	WCH	Certified professional training	100
Evantage Consulting Limited+#	4297858	WCH	Consultancy to the pharmaceutical industry	100
HCP Consulting Limited#	4160769	WCH	Dormant	100

Notes to the financial statements continued

15. Investments in subsidiaries continued

Name of company	UK company number	Registered address	Business	Percentage owned
ICA Audit Limited+	4519229	WCH	Facilitation of ISO certification for businesses	100
ICA Commercial Services Limited+	4363296	WCH	Training courses in international compliance and money laundering	100
Interactive Medica AB	n/a	ALF	Pan-European provider of cloud based insight, CRM and KAM offerings to the pharmaceutical industry	100
Interactive Medica Limited+	5947851	WCH	Pan-European provider of cloud based insight, CRM and KAM offerings to the pharmaceutical industry	100
Interactive Medica SL	n/a	REC	Pan-European provider of cloud based insight, CRM and KAM offerings to the pharmaceutical industry	100
International Compliance Association**+	4429302	WCH	Professional association; a not for profit organisation	100
International Compliance Training Limited#	2437276	WCH	Dormant	100
International Compliance Training Academy PTE Limited (incorporated and operates in Singapore)	n/a	SHE	Training courses in international compliance and money laundering	100
International Compliance Training Hong Kong Limited	n/a	PRU	Dormant	100
International Compliance Training (Middle East) LLC (incorporated and operates in the UAE)	n/a	GAT	Training courses in international compliance and money laundering	100
International Compliance Training SDN. BHD (incorporated and operates in Malaysia)	n/a	VER	Training courses in international compliance and money laundering	100
JMH Publishing Limited+#	4097904	WCH	Provider of specialist and accredited online education for the healthcare industry	100
La Touche Bond Solon Training Limited (incorporated and operates in Ireland)	n/a	BAG	Witness and post-qualification legal training	100
Mercia Group Limited+	1464141	WCH	Training and support services to the accountancy profession	100

Name of company	UK company number	Registered address	Business	Percentage owned
Mercia Ireland Limited (incorporated and operates in Ireland)	n/a	BAG	Training and support services to the accountancy profession	100
Mercia NI Limited+	NI038498	CLO	Training and support services to the accountancy profession	100
NHIS Limited*+#	5997573	WCH	Provision of business intelligence, data analysis, workflow tools and other services to the healthcare industry	100
Pendragon Professional Information Limited#	3612096	WCH	Dormant	100
Practice Track Limited+#	2290840	WCH	Marketing support services for the accountancy profession	100
Quorum Courses Limited#	2623737	WCH	Dormant	100
Quorum International Limited#	4110814	WCH	Dormant	100
Quorum Training Limited#	2096887	WCH	Dormant	100
Smee and Ford Limited+	1964639	WCH	Provision of legacy information	100
SWAT Group Limited+#	9572812	WCH	Holding company	100
SWAT Holdings Limited+#	6276353	WCH	Holding company	100
SWAT UK Limited+	3041771	WCH	Training and support services to the accountancy profession	100
The Matchett Group Limited+	1221570	WCH	Dormant	100
The Training Consultants Limited+#	5922993	WCH	Providing accredited intelligence and investigative skills training	100
Waterlow Information Services Limited#	2779805	WCH	Dormant	100
WCLTS**#	SC263368	WCH	Dormant	100
Wilmington Compliance Week Inc. (incorporated and operates in the US)	n/a	ORA	Provision of international compliance and regulatory information in the US	100
Wilmington Finance Limited+#	4461497	WCH	Holding company	100
Wilmington FRA Inc. (incorporated and operates in the US)	n/a	ORA	Conference and networking provider of specialist events in healthcare and finance	100
Wilmington Healthcare Limited+	2530185	WCH	Provision of reference information to the healthcare industry	100
Wilmington Holdings No 1 Limited*	8313253	WCH	Holding company	100
Wilmington Holdings US Inc. (incorporated and operates in the US)	n/a	ORA	Holding company	100

Notes to the financial statements continued

15. Investments in subsidiaries continued

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

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

Registered address	Abbreviation
Avenida del General Peron, 27 – 10 Plta, Madrid	AGP
Att.Lena Frazen, Nytorget 7, Box 577, 611 10, Nyköping, Sweden	ALF
33 Avenue de la Republique, 75011 Paris	AVE
13 Baggot Street Upper, Dublin 4, Ireland	BAG
Cloughoge Business Park, Newry, Countydown, Northern Ireland	CLO
C/Recoletos, 3 – 1º, 28001 Madrid	REC
Level 3, Gate Village, Building 2, Dubai International Financial Centre, PO Box 506745, Dubai	GAT
Haleson Building, 1 Jubilee Street, Central Hong Kong	HAL
1209 Orange Street, Delaware 19801	ORA
Suite 2111, 21/F., Prudential Tower, The Gateway, Harbour City, 21 Canton Road, Tsimshatsui, Kowloon, Hong Kong	PRU
6 Shenton Way, #17-08 OUE Downtown 2, Singapore 068809	SHE
Unit 30-01, Vertical Business Suite, Bangsar South, No.8, Jalan Kerinchi, 59200, Kuala Lumpur	VER
10 Whitechapel High Street, London E1 8QS	WCH
31 W. 34th Street, 8th floor #8080, New York, NY 10001	WES

16. Trade and other receivables

	Group		Company	
	30 June 2021 £'000	30 June 2020 £'000	**30 June 2021 £'000**	30 June 2020 £'000
Current				
Trade receivables	**23,202**	20,752	**—**	—
Prepayments and other receivables	**5,496**	4,774	**570**	604
Amounts due from subsidiaries	**—**	—	**106,394**	79,372
	28,698	25,526	**106,964**	79,976

Amounts due from all subsidiaries are interest free, unsecured and repayable on demand. Expected credit losses on amounts due from subsidiaries are not material.

17. Derivative financial investments

	Group and Company	
	30 June 2021 £'000	30 June 2020 £'000
Non-current assets		
Interest rate swaps – maturing in October 2024	**57**	—
Current liabilities		
Interest rate swaps – maturing in July 2020	**—**	(59)

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

18. Trade and other payables

	Group		Company	
	30 June 2021 £'000	30 June 2020 £'000	**30 June 2021 £'000**	30 June 2020 £'000
Trade and other payables	**24,835**	27,030	**3,142**	2,185
Subscriptions and deferred revenue	**30,124**	31,465	**—**	—
Amounts due to subsidiaries	**—**	—	**34,025**	31,329
	54,959	58,495	**37,167**	33,514

Wilmington plc has loans to the value of £2,231,760 (2020: £1,908,744) due to APM International SAS which incur interest at 2% per annum; these loans are unsecured and repayable on demand. All other amounts due to subsidiaries are interest free, unsecured and repayable on demand.

Notes to the financial statements continued

19. Borrowings

	Group		Company	
	30 June 2021 £'000	30 June 2020 £'000	**30 June 2021 £'000**	30 June 2020 £'000
Current liability				
Bank overdrafts	**3,644**	—	**—**	—
	3,644	—	**—**	—
Non-current liability				
Bank loans	**20,960**	49,082	**—**	20,181
Capitalised loan arrangement fees	**(530)**	(587)	**—**	—
Bank loans net of loan arrangement fees	**20,430**	48,495	**—**	20,181

At 30 June 2021 the Group was in an overall net debit position in respect of its bank balances and overdrafts. This position comprised the net of gross overdraft balances of £8.9m (2020: £1.5m) and cash positions of £5.3m (2020: £12.8m) held at Barclays Bank plc in certain UK companies included in the offsetting agreement.

The capitalised loan arrangement fees relate to the costs associated with the Company signing a revised revolving credit facility on 4 July 2019 and extending the Group's revolving credit facility to 3 July 2024 on 30 October 2020.

20. Financial instruments and risk management

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

Interest rate risk

Risk

The Group financing arrangements include external debt that is subject to a variable interest rate. The Group is consequently exposed to cash flow volatility arising from fluctuations in market interest rates applicable to that external finance. In particular, interest is charged on the £21m (2020: £49m) amount drawn down on the revolving credit facility at a rate of LIBOR plus a margin of between 1.50 and 2.25% depending upon leverage. Cash flow volatility therefore arises from movements in the LIBOR interest rates. Any undrawn amounts are charged a commitment fee at a rate of 40% of the applicable margin (2020: 40% of the applicable margin).

The Group adopted the phase 1 amendments to IFRS 9, IAS 39 and IFRS 7 in respect of Interest Rate Benchmark ('IBOR') reforms. There was no financial impact from the adoption of these amendments. The Group assessed that its exposure to the risks posed by IBOR reform does not warrant disclosure under the general principles of IFRS 7. Phase 2 amendments were issued on 27 August 2020 and the Group will apply these in 2022.

Group policy for interest rate risk management

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

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

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

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

The Group's interest rate swap contracts offset part of its variable interest payments and replace them with fixed payments. In particular, the Group has hedged its exposure to the LIBOR part of the interest rate for a £25m (2020: £21m) portion of the loan facility via an interest rate swap, as follows:

- a $7.5m interest rate swap commencing on 1 July 2020 and ending on 1 October 2024, whereby the Group receives interest on $7.5m based on the USD LIBOR rate and pays interest on $7.5m at a fixed rate of 0.495%; and
- a £20.0m interest rate swap commencing on 1 July 2020 and ending on 1 October 2024, whereby the Group receives interest on £20m based on LIBOR rate and pays interest on £20m at a fixed rate of 0.395%.

On 1 July 2021 the Group entered into new interest rate swap contracts following the expiry of the existing contacts.

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

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

	Nominal amount	
	30 June 2021 £'000	30 June 2020 £'000
Financial liabilities	**20,960**	49,082
Effects of interest rate swaps	**(25,427)**	(21,068)
	(4,467)	28,014

Notes to the financial statements continued

20. Financial instruments and risk management continued

Interest rate risk continued

Group policy for interest rate risk management continued

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

At 30 June 2021	Nominal amount £'000	Carrying amount Asset £'000	Carrying amount Liability £'000	Line item in the financial statements where the hedging instrument is included
Interest rate swaps	**5,427**	**22**	**—**	**Derivative financial instruments**
Interest rate swaps	**20,000**	**35**	**—**	**Derivative financial instruments**
	25,427	**57**	**—**	

At 30 June 2020	Nominal amount £'000	Carrying amount Asset £'000	Carrying amount Liability £'000	Line item in the financial statements where the hedging instrument is included
Interest rate swaps	6,068	—	(5)	Derivative financial instruments
Interest rate swaps	15,000	—	(54)	Derivative financial instruments
	21,068	—	(59)	

During the year ended 30 June 2021	Change in value of hedging instrument recognised in OCI £'000	Line item in profit or loss that includes hedge ineffectiveness	Line item affected in profit or loss because of the reclassification
	(93)	**n/a**	**n/a**

During the year ended 30 June 2020	Change in value of hedging instrument recognised in OCI £'000	Line item in profit or loss that includes hedge ineffectiveness	Line item affected in profit or loss because of the reclassification
	(116)	n/a	n/a

Sensitivity analysis

The Group has performed a sensitivity analysis that measures the estimated charge to the income statement and OCI arising from a 100 basis points ('bps') increase in market interest rates applicable at 30 June 2021, with all other variables remaining constant. The sensitivity analysis makes the following assumptions:

- changes in market interest rates only affect interest income or expense of variable financial instruments;
- changes in market interest rates only affect interest income or expense in relation to financial instruments with fixed interest rates if they are recognised at fair value; and
- changes in market interest rates do not affect the fair value of derivative financial instruments designated as hedging instruments and all interest rate hedges are expected to be highly effective.

	Income statement 100 bps increase £'000	OCI 100 bps increase £'000
Variable rate debt	(83)	—
Interest rate swap	—	255
	(83)	255

Foreign currency risk

Risk

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

Group policy

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

The Group policy is to finance investment in overseas operations from borrowings in the local currency of the relevant operation, so as to achieve a natural hedge of the foreign currency translation risk. This natural hedge is designated as a net investment hedge for accounting purposes. Debt of $11.0m (2020: $11.0m) has been designated as a net investment hedge relating to the Group's interest in Compliance Week and FRA.

Risk management arrangements

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

Currency	Amount (£m)	Maturity date	Foreign exchange rate
US Dollar	1.5	31 July 2020	1.2398
US Dollar	1.0	30 October 2020	1.2414
US Dollar	1.0	18 December 2020	1.2417
US Dollar	1.0	29 January 2021	1.2424
US Dollar	1.0	26 February 2021	1.2426
US Dollar	2.0	30 April 2021	1.2431
US Dollar	1.5	28 May 2021	1.2433

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

Notes to the financial statements continued

20. Financial instruments and risk management continued

Foreign currency risk continued

Risk management arrangements continued

The Group has performed a sensitivity analysis that measures the estimated credit/(charge) to the income statement and other comprehensive income arising from a 10% difference in the US Dollar to Sterling and Euro to Sterling exchange rates applicable at 30 June 2021, with all other variables remaining constant. The sensitivity analysis makes the assumption that changes in foreign currency rates only affect income, expense, assets and liabilities that are denominated in the relevant currencies.

	Income statement		OCI	
	+10%* £'000	-10%* £'000	+10%* £'000	-10%* £'000
Cash and cash equivalents	(78)	98	—	—
Trade receivables (including the effect of forward currency contracts)	(45)	54	—	—
Currency translation differences	—	—	188	(230)
Net investment hedges	—	—	724	(884)
Profit before tax arising overseas	(281)	343	—	—

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

Liquidity and capital risk

Risk

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

Group policy

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

Risk management arrangements

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

In the prior year, on 3 July 2019 Wilmington plc extended its revolving credit facility through to 3 July 2023 (with the option to extend for a further year). On 30 October 2020 the Group enacted its option to extend its revolving credit facility for a further year through to 3 July 2024. The terms of the old and extended facility are included below:

Prior facility that expired on 3 July 2019

The Group had a £65m revolving credit facility with Barclays Bank plc, HSBC Bank plc and The Royal Bank of Scotland plc from 1 July 2015. The facility comprised of a revolving credit facility of £60m and an overdraft facility across the Group of £5m. In addition, the extended facility also provides for an accordion option whereby the unsecured committed bank facility may be increased by up to £35m to a total commitment of £100m if required subject to majority lending bank consent. On 17 January 2017 £20m of the accordion facility was triggered, increasing the total unsecured bank facility to £85m. This extension was made to fund the acquisition of HSJ. The extended facility comprised of a revolving credit facility of £80.0m and an overdraft facility across the Group of £5.0m. On 24 November 2017 the revolving credit facility was reduced by £10.0m to £75.0m, to decrease the non-utilised portion and the associated non-utilisation fee.

Renewed facility effective from 3 July 2019 expiring on 3 July 2024

The Group has a £65m revolving credit facility with Barclays Bank plc, The Governor and Company of the Bank of Ireland and The Royal Bank of Scotland plc from 3 July 2019. The facility comprises of a revolving credit facility of £60m and an overdraft facility across the Group of £5m. In addition, the extended facility also provides for an accordion option of up to £35m whereby the unsecured committed bank facility may be increased if required subject to majority lending bank consent. Interest is charged on the amount drawn down at between 1.50% and 2.25% above LIBOR depending upon leverage, and drawdowns are made for periods of up to six months in duration. The Group pays a fee of 40% of the applicable Margin on the undrawn element of the credit facility and the undrawn overdraft.

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

	30 June 2021 £'000	30 June 2020 £'000
Expiring within one year	—	—
Expiring after more than one year	**44,040**	15,918

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

Group

At 30 June 2021	Within 1 year £'000	1–2 years £'000	2–5 years £'000	More than 5 years £'000	Total £'000
Bank overdrafts	32	32	64	—	128
Bank loans including interest	384	384	22,278	—	23,046
Lease liabilities	2,356	1,808	4,901	1,677	10,742
Trade payables and accruals	24,835	—	—	—	24,835
	27,607	2,224	27,243	1,677	58,751

Notes to the financial statements continued

20. Financial instruments and risk management continued

Liquidity and capital risk continued

Risk management arrangements continued

Group continued

At 30 June 2020	Within 1 year £'000	1–2 years £'000	2–5 years £'000	More than 5 years £'000	Total £'000
Bank overdrafts	36	36	72	—	144
Bank loans including interest	432	432	49,946	—	50,810
Lease liabilities	2,660	2,685	5,293	3,838	14,476
Trade payables and accruals	27,030	—	—	—	27,030
	30,158	3,153	55,311	3,838	92,460

Company

At 30 June 2021	Within 1 year £'000	1–2 years £'000	2–5 years £'000	More than 5 years £'000	Total £'000
Bank overdrafts	**32**	**32**	**64**	**—**	**128**
Bank loans including interest	**384**	**384**	**768**	**—**	**1,536**
Lease liabilities	**1,606**	**1,388**	**4,486**	**1,483**	**8,963**
Trade payables, accruals and amounts due to subsidiary undertakings	**37,167**	**—**	**—**	**—**	**37,167**
	39,189	**1,804**	**5,318**	**1,483**	**47,794**

At 30 June 2020	Within 1 year £'000	1–2 years £'000	2–5 years £'000	More than 5 years £'000	Total £'000
Bank overdrafts	36	36	72	—	144
Bank loans including interest	432	432	21,045	—	21,909
Lease liabilities	1,455	1,606	4,819	2,199	10,079
Trade payables, accruals and amounts due to subsidiary undertakings	33,277	—	—	—	33,277
	35,200	2,074	25,936	2,199	65,409

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

Credit risk

Risk

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

Group policy

The Group policy is to assess the creditworthiness and financial strength of customers at inception and on an ongoing basis. The Group also reviews the credit rating of its banks. Cash is held in banks with a credit rating between AA and A- per Fitch at 17 September 2021, with the exception of £0.6m which is held in Allied Irish and Ulster Bank both with a rating of BBB+.

Risk management arrangements

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

The amounts presented in the balance sheet are net of the expected credit loss allowance. The Group applies a simplified approach to measure the expected credit loss allowance for trade receivables classified at amortised cost, using the lifetime expected loss provision.

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

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

At 30 June 2021	Not due £'000	0–30 days £'000	30–60 days £'000	61–90 days £'000	91–120 days £'000	120+ days £'000	Total £'000
Gross carrying amount	15,185	3,628	1,888	1,444	845	1,023	24,013
Expected credit loss rate	0.01%	0.03%	0.16%	3.32%	14.79%	61.88%	3.38%
Expected credit loss	1	1	3	48	125	633	811
Net carrying amount	**15,184**	**3,627**	**1,885**	**1,396**	**720**	**390**	**23,202**

Set out below is the movement for the year in the expected credit loss relating to trade receivables.

	30 June 2021 £'000	30 June 2020 £'000
Allowances at 1 July	**1,132**	507
Additions charged to income statement	**176**	842
Allowances used	**(429)**	(119)
Allowances reversed	**(68)**	(98)
Allowances at 30 June	**811**	1,132

Notes to the financial statements continued

20. Financial instruments and risk management continued

Credit risk continued

Fair value of financial assets and financial liabilities

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

Group

At 30 June 2021	Fair value – hedging instrument £'000	Amortised cost £'000	Total £'000
Financial assets			
Cash and cash equivalents	—	7,374	7,374
Interest rate swaps	57	—	57
Trade and other receivables	—	24,077	24,077
	57	31,451	31,508
Financial liabilities			
Trade and other payables	—	(24,835)	(24,835)
Lease liabilities	—	(10,742)	(10,742)
Bank overdrafts	—	(3,644)	(3,644)
Bank loans	—	(20,960)	(20,960)
	—	(60,181)	(60,181)

At 30 June 2020	Fair value – hedging instrument £'000	Amortised cost £'000	Total £'000
Financial assets			
Cash and cash equivalents	—	21,426	21,426
Trade and other receivables	—	20,752	20,752
	—	42,178	42,178
Financial liabilities			
Trade and other payables	—	(27,030)	(27,030)
Lease liabilities	—	(13,121)	(13,121)
Bank loans	—	(49,082)	(49,082)
Interest rate swaps	(59)	—	(59)
	(59)	(89,233)	(89,292)

Company

At 30 June 2021	Fair value – hedging instrument £'000	Amortised cost £'000	Total £'000
Financial assets			
Cash and cash equivalents	—	2,702	2,702
Interest rate swaps	57	—	57
Trade and other receivables	—	106,394	106,394
	57	109,096	109,153
Financial liabilities			
Trade and other payables	—	(34,548)	(34,548)
Lease liabilities	—	(8,963)	(8,963)
	—	(43,511)	(43,511)

At 30 June 2020	Fair value – hedging instrument £'000	Amortised cost £'000	Total £'000
Financial assets			
Cash and cash equivalents	—	7,004	7,004
Trade and other receivables	—	79,372	79,372
	—	86,376	86,376
Financial liabilities			
Trade and other payables	—	(33,512)	(33,512)
Lease liabilities	—	(10,079)	(10,079)
Bank loans	—	(20,181)	(20,181)
Interest rate swaps	(59)	—	(59)
	(59)	(63,772)	(63,831)

Fair value measurement

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

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

Notes to the financial statements continued

20. Financial instruments and risk management continued

Credit risk continued

Fair value of financial assets and financial liabilities continued

Fair value measurement continued

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

Level 1
Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Group and Company

At 30 June 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Liabilities				
Financial liabilities at fair value through income or expense				
– Trading derivatives at fair value through the income statement	–	–	–	–
– Deferred consideration payable	–	–	–	–
Financial liabilities at fair value through equity				
– Derivative financial instruments designated for hedging	–	–	–	–
Total liabilities	–	–	–	–

At 30 June 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Liabilities				
Financial liabilities at fair value through income or expense				
– Trading derivatives at fair value through the income statement	—	—	—	—
– Deferred consideration payable	—	—	—	—
Financial liabilities at fair value through equity				
– Derivative financial instruments designated for hedging	—	(59)	—	(59)
Total liabilities	—	(59)	—	(59)

Market risk

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

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

Part of the Group's net investment in its US subsidiaries is hedged by US Dollar denominated secured bank loans of $11.0m at 30 June 2021 (2020: $11.0m), which mitigates the foreign currency risk arising from the subsidiary's net assets. The loan is designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the GBP/USD spot rate.

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

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

	Carrying amount		
At 30 June 2021	**Nominal amount £'000**	**Liability £'000**	**Line item in the financial statements where the hedging instrument is included**
US Dollar loans	**7,960**	**7,960**	**Borrowings**
	7,960	**7,960**	

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

	Carrying amount		
At 30 June 2020	Nominal amount £'000	Liability £'000	Line item in the financial statements where the hedging instrument is included
US Dollar loans	8,900	8,900	Borrowings
Euro loans	2,182	2,182	Borrowings
	11,082	11,082	

Notes to the financial statements continued

20. Financial instruments and risk management continued

Market risk continued

During the year ended 30 June 2021	Change in value of hedging instrument recognised in OCI £'000	Line item in profit or loss that includes hedge ineffectiveness	Line item affected in profit or loss because of the reclassification
	(762)	n/a	n/a

During the year ended 30 June 2021	Foreign currency translation reserve £'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied £'000
	(1,359)	(742)

During the year ended 30 June 2020	Change in value of hedging instrument recognised in OCI £'000	Line item in profit or loss that includes hedge ineffectiveness	Line item affected in profit or loss because of the reclassification
	237	n/a	n/a

During the year ended 30 June 2020	Foreign currency translation reserve £'000	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied £'000
	(2,121)	(742)

21. Deferred tax

Movements on deferred tax assets are as follows:

Group	Share based payments £'000	Fair value interest rate swap £'000	US deferred consideration £'000	Tax losses £'000	Other £'000	Total £'000
Asset at 30 June 2019	126	38	259	132	—	555
Tax relating to initial application of IFRS 16	—	—	—	—	34	34
Asset at 1 July 2019	126	38	259	132	34	589
Deferred tax credit/(charge) in the income statement for the year	67	—	(24)	663	—	706
Deferred tax charge in other comprehensive income for the year	—	(27)	—	—	—	(27)
Deferred tax charge included directly in equity for the year	(87)	—	—	—	—	(87)
Exchange translation difference	—	—	8	—	—	8
Asset at 30 June 2020	106	11	243	795	34	1,189
Tax relating to initial application of IFRS 16	—	—	—	—	(34)	(34)
Deferred tax (charge)/credit in the income statement for the year	(14)	—	(22)	432	—	396
Deferred tax charge in other comprehensive income for the year	—	(22)	—	—	—	(22)
Deferred tax credit included directly in equity for the year	358	—	—	—	—	358
Utilisation of deferred tax asset	—	—	—	(498)	—	(498)
Exchange translation difference	—	—	(25)	—	—	(25)
Asset at 30 June 2021	**450**	**(11)**	**196**	**729**	**—**	**1,364**

Notes to the financial statements continued

21. Deferred tax continued

Company	Share based payments £'000	Fair value interest rate swap £'000	Total £'000
Asset at 30 June 2019	126	38	164
Deferred tax credit in the income statement for the year	67	—	67
Deferred tax charge in other comprehensive income for the year	—	(27)	(27)
Deferred tax charge included directly in equity for the year	(87)	—	(87)
Asset at 30 June 2020	106	11	117
Deferred tax charge in the income statement for the year	(14)	—	(14)
Deferred tax charge in other comprehensive income for the year	—	(22)	(22)
Deferred tax credit included directly in equity for the year	358	—	358
Asset at 30 June 2021	**450**	**(11)**	**439**

Movements on deferred tax liabilities are as follows:

	Group £'000	Company £'000
Non-current liabilities		
Liability at 30 June 2019	2,633	—
Deferred tax credit in the income statement for the year	(340)	—
Acquisition of intangible asset	15	—
Effect on deferred tax of a change in the corporation tax rate	207	—
Exchange translation difference	9	—
Liability at 30 June 2020	2,524	—
Deferred tax credit in the income statement for the year	(530)	—
Effect on deferred tax of a change in the corporation tax rate	132	—
Exchange translation difference	(72)	—
Liability at 30 June 2021	**2,054**	**—**

The deferred tax liability arises as a result of accelerated tax on amortisation of intangible assets excluding computer software and on the depreciation of property, plant and equipment.

22. Share capital

Group	Number of ordinary shares of 5p each	Ordinary shares £'000	Share premium account £'000	Treasury shares and ESOT reserves £'000	Total £'000
Issued and fully paid ordinary shares					
At 30 June 2019	87,539,567	4,377	45,225	(96)	49,506
Shares issued	64,350	3	—	—	3
ESOT share purchases	—	—	—	(497)	(497)
Sale of treasury shares	—	—	—	3	3
At 30 June 2020	87,603,917	4,380	45,225	(590)	49,015
Performance share plan awards vesting settled via ESOT	—	—	—	137	137
ESOT share purchases	—	—	—	(263)	(263)
Sale of treasury shares	—	—	—	15	15
At 30 June 2021	**87,603,917**	**4,380**	**45,225**	**(701)**	**48,904**

Company	Number of ordinary shares of 5p each	Ordinary shares £'000	Share premium account £'000	Treasury shares £'000	Total £'000
Issued and fully paid ordinary shares					
At 30 June 2019	87,539,567	4,377	45,225	(96)	49,506
Shares issued	64,350	3	—	—	3
Sale of treasury shares	—	—	—	3	3
At 30 June 2020	87,603,917	4,380	45,225	(93)	49,512
Sale of treasury shares	—	—	—	15	15
At 30 June 2021	**87,603,917**	**4,380**	**45,225**	**(78)**	**49,527**

On 17 September 2020 Wilmington granted 55,231 share awards under its Performance Share Plan. No new shares were issued in respect of these transactions with the shares being transferred to the individuals from the Wilmington Group plc Employee Share Ownership Trust.

At 30 June 2021, 34,533 shares (2020: 44,611) were held in treasury, which represents 0.1% (2020: 0.1%) of the share capital of the Company.

At 30 June 2021, the ESOT held 329,903 shares (2020: 200,000) in the Company, which represents 0.4% (2020: 0.2%) of the called up share capital.

Notes to the financial statements continued

23. Share based payments
The Group's share based payment arrangements are as follows:

a) Performance Share Plan ('PSP') Awards, applying to Executives.

b) Performance Share Plan ('PSP') Awards, applying to the Senior Leadership Team.

c) Share Option Plan ('Options'), applying to the Senior Leadership Team.

d) An employee Save As You Earn ('SAYE') scheme, for UK based employees.

An expense of £566,000 (2020: £724,000) was recognised in the income statement of the Group for share based payments. Of this expense £566,000 (2020: £724,000) was recognised in the parent company income statement.

During the year ended 30 June 2021, the following events have occurred in respect of each scheme.

a) PSP awards, applying to Executives
Details of Directors' share awards are set out in the Directors' remuneration report.

Under the Wilmington plc 2007 and 2017 Performance Share Plans:

Date of grant	Exercise price per award	Date of vesting	Number of shares for which awards outstanding at 1 July 2020	Awards granted during year	Awards vested during year	Awards lapsed during year	Number of shares for which awards outstanding at 30 June 2021
September 2017	Nil	Sept 2020	141,325	—	(55,231)	(86,094)	**—**
September 2018	Nil	Sept 2021	177,700	—	—	(98,214)	**79,486**
September 2019	Nil	Sept 2022	388,944	—	—	(103,271)	**285,673**
September 2020	Nil	Sept 2023	—	546,939	—	—	**546,939**
February 2021	Nil	Sept 2023	—	52,971	—	—	**52,971**

55,231 awards vested on 16 September 2020 at a share price of £1.31. 546,939 awards were granted to Executives in September 2020 with a fair value of £1.48 per award. 52,971 awards were granted to the Chief Financial Officer in February 2021 with a fair value of £1.67 per award.

The performance conditions of the awards granted between 2017 and 2019 are based on the proportions shown below:
- 33.3% total shareholder return ('TSR');
- 33.3% earnings per share ('EPS'); and
- 33.3% return on equity ('ROE').

The performance conditions of the awards granted during the year are based on the proportions below:
- 40.0% total shareholder return ('TSR');
- 40.0% earnings per share ('EPS'); and
- 20.0% organic growth ('ORG').

The awards granted to Executives in September 2020 were valued using the Black Scholes and Stochastic methods with the following assumptions:
- expected volatility (%): 44.99
- expected life (years): 2.63; and
- expected dividends (%): Nil.

The awards granted to the Chief Financial Officer in February 2021 were valued using the Black Scholes and Stochastic methods with the following assumptions:
- expected volatility (%): 42.58;
- expected life (years): 3; and
- expected dividends (%): Nil.

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

b) PSP awards, applying to the Senior Leadership Team
Under the Wilmington plc 2017 Performance Share Plan:

Year of grant	Exercise price per award	Date of vesting	Number of shares for which awards outstanding at 1 July 2020	Awards granted during year	Awards vested during year	Awards lapsed during year	Number of shares for which awards outstanding at 30 June 2021
2018	Nil	Sept 2021	188,524	—	—	(9,607)	**178,917**
2019	Nil	Sept 2022	186,244	—	—	(40,468)	**145,776**
2020	Nil	Sept 2023	—	290,910	—	(67,615)	**223,295**

The fair value of the awards granted during the year was £1.62 per award.

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

- 100% earnings per share ('EPS').

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

- expected life (years): 2.63; and
- expected dividends (%): 2.67.

c) Options
On 30 September 2020 the Company awarded share options to selected key management. This is a discretionary scheme which enables a company to grant share options to selected employees. The exercise price of the granted options is equal to the market price of the shares on the date of the grant. Options are conditional on the employee completing three years' service (the vesting period) so act as a lock-in incentive; the options have a contractual option term of ten years. The options are exercisable starting three years from the grant date, subject to the Group achieving growth in earnings per share in line with the targets set out in the deed of grant. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Notes to the financial statements continued

23. Share based payments continued

c) Options continued

Movements in the number of share options outstanding and their related weighted average exercise price are as follows:

Year of grant	Average exercise price per option £	Date of vesting	Number of shares for which options outstanding at 1 July 2020	Options granted during year	Options exercised during year	Options lapsed during year	Number of shares for which options outstanding at June 2021
2015	2.625	Sept 2018	160,726	—	—	—	**160,726**
2016	2.455	Sept 2019	—	—	—	—	—
2017	2.150	Sept 2020	325,392	—	—	(325,392)	—
2018	1.848	Sept 2021	297,368	—	—	(16,055)	**281,313**
2019	2.080	Sept 2022	285,398	—	—	(65,391)	**220,007**
2020	1.225	Sept 2023	—	443,572	—	(114,800)	**328,772**

The fair value of the options granted during the year was £0.56 per option.

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

- expected volatility (%): 32.54;
- expected life (years): 6.13;
- expected dividends (%): 2.67; and
- expected volatility was determined by reference to the historical volatility of the Group's share price. The expected life used in the model is the mid-point of the exercise period.

d) Save As You Earn Options

On 29 March 2019, Save As You Earn Options with a per share exercise price of £1.52 over 688,612 ordinary shares in Wilmington plc (the 'Company') were granted under the Wilmington SAYE Plan 2018 to employees of the Company and its subsidiaries. At 30 June 2021 there were 326,942 (2020: 604,544) shares for which options were outstanding.

On 19 October 2020, Save As You Earn Options with a per share exercise price of £0.96 over 984,973 ordinary shares in the Company were granted under the Wilmington SAYE Plan 2018 to employees of the Company and its subsidiaries. At 30 June 2021 there were 930,261 (2020: nil) shares for which options were outstanding.

The exercise prices of £1.52 and £0.96 relating to the 2019 SAYE Options and the 2020 SAYE Options respectively were calculated in accordance with the rules as set out in the SAYE Scheme. The SAYE Options will normally vest and become exercisable over a three year vesting period from the date of grant and can be exercised within six months following vesting.

24. Lease liabilities

The Group enters into leases of buildings in relation to offices & business premises in the geographical locations in which they operate.

The following table shows the discounted lease liabilities included in the Group and Company balance sheets:

	Group		Company	
	30 June 2021 £'000	30 June 2020 £'000	**30 June 2021 £'000**	30 June 2020 £'000
Current	**2,356**	2,660	**1,606**	1,455
Non-current	**8,386**	10,461	**7,357**	8,624
	10,742	13,121	**8,963**	10,079

A reconciliation of the movement in the right-of-use assets is included in note 14. The maturity analysis of lease liabilities on a contractual undiscounted cash flow basis is included in note 20. The interest expense in relation to lease liabilities is included in note 6. Amounts recognised through the consolidated income statement in respect of short-term leases and low-value leases are included in note 4. The total cash outflow for leases was £3,352,000 (2020: £3,040,000).

Contracts entered into by the Group have a wide range of terms and conditions but generally do not impose any additional covenants. Extension and terminations options provide the Group with additional operational flexibility. These options are included in the lease term if the Group considers it reasonably certain that the lease will be extended or terminated.

25. Provisions

Property and other	£'000
At 1 July 2020	—
Additional provision in the year	1,842
At 30 June 2021	**1,842**

	30 June 2021 £'000
Included in current liabilities	**461**
Included in non-current liabilities	**1,381**
	1,842

The provision included in the year is in respect of anticipated costs expected to be incurred in relation to the closed proportion of the head office for the period from 1 July 2021 until the end of the contractual lease term. The charge to recognise the provision has been included in adjusting items in the income statement.

The provision is based on assumptions and estimates where the ultimate outcome may be different from the amount provided. The provision reflects the Group's best estimate of the probable exposure as at 30 June 2021. This assessment has been made having considered the sensitivity of the provision for possible changes in key assumptions.

Notes to the financial statements continued

26. Commitments

a) The Group had, in relation to property, plant and equipment, capital commitments contracted but not provided for at 30 June 2021 of £nil (2020: £nil).

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

	Group		Company	
	30 June 2021 £'000	30 June 2020 £'000	**30 June 2021 £'000**	30 June 2020 £'000
Not later than one year	**3,227**	3,168	**2,327**	1,815
Later than one year and not later than five years	**8,336**	9,513	**7,456**	7,816
Later than five years	**2,447**	4,512	**2,241**	4,207
	14,010	17,193	**12,024**	13,838

27. Related party transactions

The Company and its wholly owned subsidiary undertakings offer certain Group-wide purchasing facilities to the Company's other subsidiary undertakings whereby the actual costs are recharged.

The Company has made recharges totalling £2,386,709 (2020: £2,079,016) to its fellow Group undertakings in respect of management services.

Amounts due from and to subsidiary undertakings by the Company are set out in notes 16 and 18 respectively.

During the year, the Company received dividends of £42,998,819 from subsidiaries (2020: £4,453,039).

Close family members of key management personnel provided services for the Group during the year for lecturing, writing, production and exam marking services. The total invoiced for these services was £nil (2020: £115,687). There were £nil outstanding amounts at 30 June 2021 (2020: £nil).

28. Staff and their pay and benefits

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

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Wages and salaries*	**47,884**	46,450
Social security costs	**4,814**	4,800
Other pension costs	**1,409**	1,374
Share based payments (including social security costs)	**566**	724
	54,673	53,348

* Excluded from wages and salaries are redundancy costs in the year of £1,969,131 (2020: £432,056). The year-on-year increase predominantly relates to the closure of Central Law Training Limited and sale of AP Pensions.

b) Remuneration of key management personnel that held office for part or all of the year (2021: 14 people; 2020: 11 people), which includes the Directors and other key management personnel, is shown in the table below:

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Short term employee benefits	**3,385**	2,415
Compensation for loss of office	**164**	—
Post-employment benefits	**89**	76
Share based payments	**394**	182
	4,032	2,673

More detailed information concerning Directors' remuneration, shareholdings, pension entitlement, share options and other Long Term Incentive Plans ('LTIPs') is shown in the audited part of the Directors' remuneration report on pages 50 to 71, which forms part of the consolidated financial statements.

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

	Year ended 30 June 2021 Number	Year ended 30 June 2020 Number
Cost of sales	**549**	566
Administration	**403**	416
	952	982

Total full time equivalents at 30 June 2021 were 835 (2020: 892).

d) Retirement benefits

The Group contributes to defined contribution pension schemes. Total contributions to the schemes during the year were £1,409,000 (2020: £1,374,000).

Notes to the financial statements continued

29. Cash generated from operations

	Group		Company	
	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000	**Year ended 30 June 2021 £'000**	Year ended 30 June 2020 £'000
(Loss)/profit from continuing operations before income tax	**(2,025)**	6,434	**37,879**	611
Gain on disposal of subsidiary	**(770)**	—	**—**	—
Gain on disposal of business operations	**(3,394)**	—	**—**	—
Adjusting items	**2,970**	625	**151**	—
Depreciation of property, plant and equipment included in operating expenses	**3,399**	3,199	**—**	—
Amortisation of intangible assets	**5,816**	6,877	**—**	—
Impairment of goodwill, intangible assets and property, plant and equipment	**14,834**	—	**2,786**	—
Loss/(profit) on disposal of property, plant and equipment	**2**	(7)	**—**	—
Share based payments (including social security costs)	**566**	724	**566**	724
Net finance costs	**1,634**	2,175	**855**	1,160
Operating cash flows before movements in working capital	**23,032**	20,027	**42,237**	2,495
(Increase)/decrease in trade and other receivables	**(3,619)**	3,279	**(24,923)**	5,322
(Decrease)/increase in trade and other payables	**(2,123)**	3,206	**3,070**	3,104
Cash generated from operations before adjusting items	**17,290**	26,512	**20,384**	10,921

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

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Funds from operations before adjusting items:		
Adjusted EBITA (note 2)	**16,649**	14,031
Share based payments (including social security costs)	**566**	724
Amortisation of intangible assets – computer software	**2,416**	2,080
Depreciation of property, plant and equipment included in operating expenses	**3,399**	3,199
Loss/(profit) on disposal of property, plant and equipment	**2**	(7)
Operating cash flows before movement in working capital	**23,032**	20,027
Net working capital movement	**(5,742)**	6,485
Funds from operations before adjusting items	**17,290**	26,512
Cash conversion	**104%**	189%

	Year ended 30 June 2021 £'000	Year ended 30 June 2020 £'000
Free cash flow:		
Operating cash flows before movement in working capital	**23,032**	20,027
Proceeds on disposal of property, plant and equipment	**103**	27
Net working capital movement	**(5,742)**	6,485
Interest paid	**(1,196)**	(1,632)
Payment of lease liabilities	**(2,530)**	(2,392)
Tax paid	**(2,697)**	(4,377)
Purchase of property, plant and equipment	**(1,047)**	(538)
Purchase of intangible assets	**(1,969)**	(3,315)
Free cash flow	**7,954**	14,285

Notes to the financial statements continued

30. Events after the reporting period

Forward contracts

On 1 July 2021 the following forward contracts were entered in order to provide certainty in Sterling terms of 80% of the Group's expected net US Dollar income:

Currency	Amount (£m)	Maturity date	Foreign exchange rate
US Dollar	1.0	29 October 2021	1.3792
US Dollar	1.0	30 November 2021	1.3793
US Dollar	1.0	31 December 2021	1.3795
US Dollar	1.0	31 January 2022	1.3801
US Dollar	1.0	28 February 2022	1.3802
US Dollar	2.0	31 March 2022	1.3803
US Dollar	1.5	29 April 2022	1.3805

Pro forma five year financial summary (unaudited)

Pro forma five year financial summary (unaudited)

	2017 £'m	2018 £'m	2019 £'m	2020 £'m	**2021 £'m**
Revenue	120.3	121.3	122.5	113.1	**113.0**
Operating expenses (before adjusting items)	(97.0)	(97.5)	(101.0)	(99.1)	**(96.4)**
Adjusted EBITA	23.4	23.8	21.5	14.0	**16.6**
Other adjusting items	(3.5)	(4.6)	(1.4)	(0.6)	**(3.0)**
Gain on disposal of property	6.3	—	—	—	**—**
Gain on disposal of business operations	—	—	—	—	**3.4**
Gain on disposal of subsidiary	—	—	1.9	—	**0.8**
Amortisation of intangible assets excluding computer software	(6.0)	(6.4)	(5.1)	(4.8)	**(3.4)**
Impairment of goodwill, intangible assets and property, plant and equipment	(2.4)	(8.6)	—	—	**(14.8)**
Operating (loss)/profit	17.8	4.2	16.9	8.6	**(0.4)**
Net finance costs	(2.0)	(1.9)	(2.1)	(2.2)	**(1.6)**
Share of loss of equity accounted investment	—	—	(0.1)	—	**—**
(Loss)/profit on ordinary activities before tax	15.9	2.3	14.7	6.4	**(2.0)**
Taxation	(3.0)	(2.6)	(3.5)	(1.8)	**(2.5)**
(Loss)/profit on ordinary activities after tax	12.9	(0.3)	11.2	4.6	**(4.5)**
Adjusted profit before tax	21.4	21.8	19.3	11.9	**15.0**
Cash generated from operations before adjusting items	26.7	25.7	26.4	26.5	**17.3**
Basic earnings per ordinary share from continuing operations (pence)	14.72	(0.45)	12.74	5.33	**(5.18)**
Diluted earnings per ordinary share from continuing operations (pence)	14.62	(0.45)	12.64	5.26	**(5.18)**
Adjusted earnings per ordinary share from continuing operations (pence)	19.05	19.80	17.44	10.71	**13.62**
Interim and proposed final dividend per share (pence)	8.5	8.8	9.1	—	**6.0**
Dividend cover (times)[1]	2.2	2.3	1.9	—	**2.3**
Return on sales (%)[2]	19.4	19.6	17.5	12.4	**14.7**

The result for the financial year to 30 June 2017 are stated in accordance with the revenue recognition policies in operations at that time. There has been no adjustment in respect of IFRS 15 to this period. The results for the financial years to 2017, 2018 and 2019 have not been adjusted for IFRS 16.

1 Dividend cover – adjusted earnings per ordinary share from continuing operations divided by the interim and proposed final dividend per share.

2 Return on sales – adjusted EBITA divided by revenue.

Advisors and corporate calendar

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Corporate calendar
Announcement of final results
20 September 2021

Annual General Meeting
3 November 2021

Announcement of interim results
February 2022

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