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DMGT

SATISFYING THE NEED TO KNOW

Daily Mail and General Trust plc
Annual Report 2014

HIGHLIGHTS

Revenue[#]
£1,864m
2013: £1,802m

Net debt/EBITDA
1.5x
2013: 1.5x

Adjusted profit before tax[#*]
£291m
2013: £267m

Statutory profit before tax[†]
£267m
2013: £179m

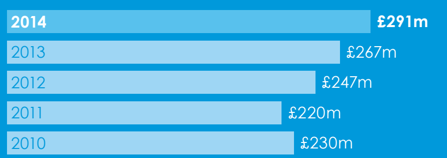
Adjusted earnings per share[#*]
55.7p
2013: 49.9p

Dividend per share
20.4p
2013: 19.2p

Digital share of revenues[#]
46%
2013: 42%

International share of revenues[#◊]
47%
2013: 48%

Adjusted profit before tax[#*]



Subscriptions share of revenues[#]
28%
2013: 29%

Operating margin[#*]
17%
2013: 17%

Profit split by B2B and Consumer[#*]

* Before exceptional items, other gains and losses, impairment of goodwill and intangible assets, pension finance charges, premiums on bond redemptions and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 81 and the reconciliation in Note 13 to the Accounts.

\# From continuing and discontinued operations.

† Statutory profit before tax is for continuing operations only (excluding the disposed of Evenbase and Northcliffe Media businesses).

◊ Non UK revenues by destination.

CONTENTS

DMGT

DMGT is an international business built on entrepreneurship and innovation. We bring together leading companies and talented people to provide businesses and consumers with high-quality analysis & insight, information, news and entertainment.

Find out more about our businesses page 16.

THE NEED-TO-KNOW

BUILDING ON OUR SUCCESS

The Viscount Rothermere
Chairman

I am delighted to write to you following another successful year at DMGT. The results we have delivered are a testament to the quality of our assets, the creativity of our workforce and the entrepreneurial approach of our management team.

DMGT remains at the forefront of the international business-to-business (B2B) and consumer media sectors. We have a diverse asset portfolio which has delivered a strong underlying performance and total shareholder returns (as shown in the charts on page 03).

On behalf of the Board and as the largest shareholder in DMGT, I would like to thank Martin Morgan and his management team for continuing to expand our B2B companies and develop our consumer media presence.

The management strategy, fully endorsed by the Board, is focused on building a global growth company in the media and B2B markets we serve. DMGT's operating margin has improved from 13% in 2009 to 17% in 2014. This is due to the combination of the improving consumer margin and the increased proportion of the business that is B2B (as shown in the charts on page 03).

In the financial year covered by this report, this strategy helped deliver organic growth and returns on our recent investments. As a result, adjusted earnings per share rose by 12% to 55.7 pence. DMGT generated healthy cash flow, and the Board is recommending a 7% increase in the final dividend per share for 2014.

At the operating level, the benefits of our global footprint, entrepreneurialism and creativity were evident across our businesses.

In consumer media, the Mail titles consolidated their position as pioneers of quality popular journalism. MailOnline continued to win new global audiences, whilst increasing its editorial coordination with Daily Mail and The Mail on Sunday. Advertising revenues have remained solid and our print titles have gained market share despite the challenges faced by traditional print media.

Among our B2B assets, RMS maintained its leading position for catastrophe risk modelling. We took the decision to delay the deployment of RMS(one) during the year, which reflected a determination to roll out this technology only when it fully meets clients' expectations. Your Board regrets the impact the delay in the launch of RMS(one) has had on us, as shareholders, and the executive team is working hard to support RMS to deliver on its revised plan.

We saw further expansion in our information businesses. The acquisition of Decision Insight Information Group (DIIG), a leading property search group in the UK and Ireland, reflects our ability to make acquisitions that will deliver further growth. At dmg events, we successfully increased the frequency and geographic presence of flagship events which have continued to be the must-attend exhibitions and networking opportunities for their respective communities.

Meanwhile, Euromoney is improving its digital capabilities through the launch of its Delphi content management system. The project will enhance coordination and the use of technology across the Euromoney portfolio.

During the financial year, DMGT unlocked significant value from the sale of Evenbase and through the IPO of Zoopla Property Group Plc, in which we remain a supportive and engaged financial investor. We also made a number of acquisitions to strengthen our B2B information capabilities. The twin approach of organic investment and bolt-on acquisitions has continued to diversify the Group by business area and geography.

DMGT will continue to pursue international expansion in high-growth markets. In the period covered by this Annual Report, I witnessed those growth opportunities at first hand with a visit to our businesses in Asia. I was delighted to see how well dmg information has established itself, with its hub office in Singapore. Our expansion continues in other geographies, with Euromoney acquiring Mining Indaba, an investment forum in South Africa, whilst dmg events has expanded its overseas businesses to include Mexico and Morocco.

The implementation of our Group strategy is overseen by the Board, which continues to maintain high standards of governance. The Governance Report (pages 40 to 50) sets out the framework for operating performance and shareholder value that is central to the growth of DMGT. The strategy is overseen by a Board of Executive and Non-Executive Directors with relevant skills and experience. The Board's commitment to diversity is explained in the Corporate Governance section of this report.

"Although market trends are changing rapidly in many parts of the media and business information market, DMGT is well positioned to withstand volatility."

At the senior management level, remuneration and incentives are aligned with performance. The value creation metrics and related payments are set out in the Remuneration Report on pages 51 to 73.

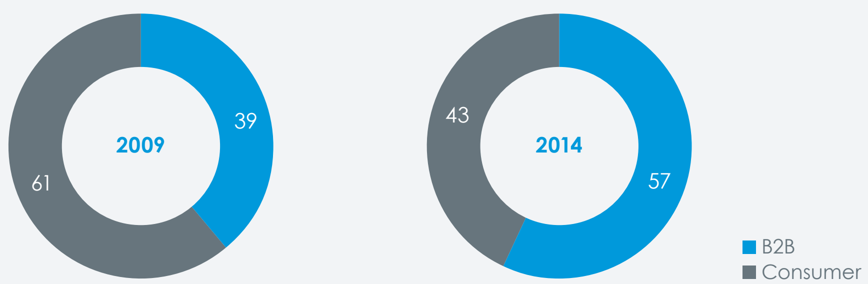
The operational performance and strategic vision set out in this Annual Report demonstrates that we have the right strategy in place and the right management to deliver it. At the same time, the family control of DMGT means we take a long-term perspective, creating an environment to drive sustained returns for all investors.

Throughout its history, DMGT has relied upon the talent, experience and skills of its employees. As Chairman of the Board, I want to thank all our staff for their dedication and hard work.

The media and business information markets continue to change rapidly. DMGT is well positioned to participate in future developments and withstand market volatility. The Board remains confident in DMGT's long-term growth prospects.

The Viscount Rothermere
Chairman

Revenue by sector (%): 2009 vs. 2014



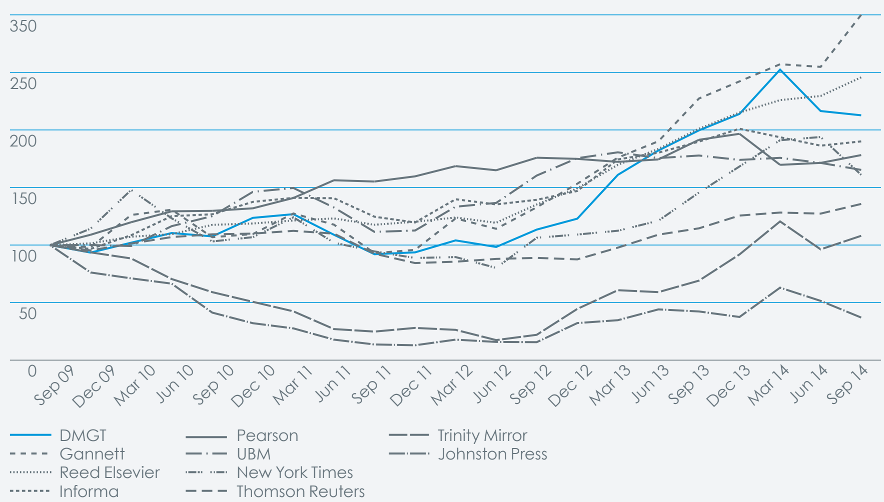
Operating margin by sector (%): 2009 vs. 2014

2009
B2B: 24%
Consumer: 6%

2014
B2B: 22%
Consumer: 10%

Total shareholder returns 2009 – 2014

Our balanced portfolio and geographical spread positions us well for the future.



A WORLD-CLASS GLOBAL PORTFOLIO

B2B

RMS

Primarily targeting the global property and casualty reinsurance industry, producing risk analysis models, services, expertise and data solutions for use in the quantification and management of catastrophic risks.

RMS

Financial performance

Revenues	Operating margin	Employees	Operating profit
£172m	26%	1,164	£45m
2013: £175m	2013: 32%	2013: 1,197	2013: £57m

Key developments

- Launch of new storm models
- The delay of RMS(one) and continued investment in the product

dmg::information

A global provider of B2B information and analysis for the property information, education and energy sectors.

Landmark Information Group, EDR, Xceligent, SearchFlow (making lawyers' lives easier), Trepp, GENSCAPE, HOBSONS

Financial performance

Revenues	Operating margin	Employees	Operating profit
£391m	17%	2,829	£68m
2013: £293m	2013: 20%	2013: 2,052	2013: £58m

Key developments

- Acquisition of Decision Insight Information Group (DIIG) (SearchFlow)
- Hobsons new product launches
- Genscape continued growth
- Trepp product innovation
- Disposal of Lewtan (October 2014)

dmg::events

An organiser of B2B exhibitions and associated conferences focusing on the energy, construction, interiors and digital marketing sectors.

ADIPEC www.adipec.com, Global Petroleum Show, Gastech, The Big 5 International Building & Construction Show, INDEX International Design Exhibition – Where Inspiration Thrives, hotel show

Financial performance

Revenues	Operating margin	Employees	Operating profit
£100m	27%	376	£27m
2013: £87m	2013: 24%	2013: 357	2013: £21m

Key developments

- Increased frequency of key shows
- Geographic expansion

Euromoney Institutional Investor PLC

A B2B media group focused primarily on the international finance, metals and commodities sectors. It provides data and research, produces trade publications – both online and print – and runs conferences, seminars and training courses.

Euromoney, Metal Bulletin, EuroWeek, Institutional Investor, BCA Research, Ned Davis Research Group

Financial performance

Revenues	Operating margin	Employees	Operating profit
£407m	29%	2,348	£117m
2013: £405m	2013: 29%	2013: 2,351	2013: £119m

Key developments

- Development of the Delphi platform for automating, storing and delivering content
- Acquisition of Mining Indaba

Consumer

dmg::media

An international publisher with a print and digital portfolio. Assets include two of the UK's most read paid-for newspapers and the world's most visited English language newspaper website.

Daily Mail, The Mail on Sunday, MailOnline, Metro, wowcher

Financial performance

Revenues	Operating margin	Employees	Operating profit
£796m	12%	2,833	£95m
2013: £793m	2013: 10%	2013: 3,353	2013: £80m

Key developments

- Investment in MailOnline, in particular international expansion
- Delivery of cost efficiencies in the Mail Newspapers
- Completion of the Evenbase disposal (October 2014)

Joint ventures and associates

Zoopla Property Group Plc
One of the UK's leading property websites.

Local World
UK local media business.

Zoopla.co.uk, Local World

DMGT's share of operating profits/(loss)

Zoopla Property Group Plc	Local World
£17m	£15m
2013: £15m	2013: £11m

- IPO of Zoopla Property Group Plc

DMGT operates in over 40 countries. We are an international Group, well positioned for further growth.

UK

Revenue (up 6%)

£992m

2013: £937m

North America

Revenue (up 4%)

£473m

2013: £454m

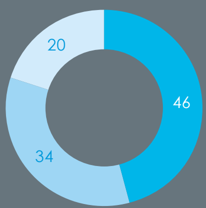
Rest of the World

Revenue (down 3%)

£399m

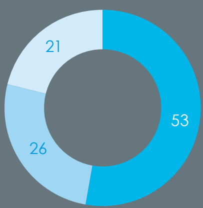
2013: £410m

Employees by geography (%)



UK	(down 2%)
North America	(up 13%)
Rest of the World	(down 2%)

Revenue by destination (%)



UK	(up underlying 1%)
North America	(up underlying 11%)
Rest of the World	(up underlying 7%)

CREATING SUSTAINABLE VALUE

DMGT is an international portfolio of digital, information, media and events businesses. The common thread that unites our businesses is in providing our customers with high-quality information, news and entertainment.

B2B

RMS

dmg::information

dmg::events

Euromoney Institutional Investor PLC

Consumer

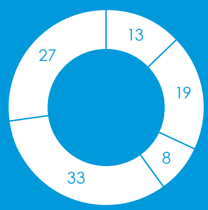
dmg::media

By harnessing technology, we can create new insights and allow customers to use our information in ways that best serve their needs.

A DIVERSIFIED BUSINESS WITH A BALANCED PORTFOLIO

Our business is highly cash generative and increasingly diversified by activity, geography and revenue type.

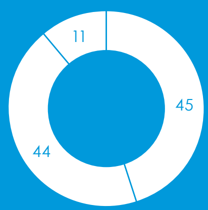
Operating profit by business



1 RMS	13%
2 dmg information	19%
3 dmg events	8%
4 Euromoney	33%
5 dmg media	27%

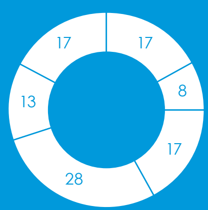
Excludes corporate costs

Operating profit by region



1 UK	45%
2 North America	44%
3 Rest of the World	11%

Revenue by type



1 Print advertising	17%
2 Digital advertising	8%
3 Circulation	17%
4 Subscriptions	28%
5 Events, conferences and training	13%
6 Transactions and other	17%

Find out more about our business portfolio on page 16.

HOW WE MAKE MONEY
Our revenue models

1. Subscription
Our B2B businesses have a strong subscription revenue component with high renewal rates demonstrating the strength of our client relationships.

2. Advertising
Growth in our digital advertising revenues continues to offset weakness in print advertising. Enhanced user engagement drives advertiser interest in increasingly sophisticated advertising formats.

3. Circulation
Circulation revenues are generated from sales of Daily Mail and The Mail on Sunday newspapers, which continue to gain market share in a declining market.

4. Events attendance and sponsorship
Exhibitor and delegate fees and sponsorship revenues are earned from the growing portfolio of trade shows run by dmg events and from

OUR FIVE STRENGTHS GIVE DMGT A UNIQUE COMPETITIVE ADVANTAGE

Entrepreneurial heart that fosters constant innovation, growth and talent development across our international businesses.

Active portfolio management which reflects our investment philosophy and responds to market opportunities.

Devolved and diversified Group structure which gives our businesses freedom within a framework and ensures that they remain close to their customers.

Family ownership which enables the Company to continually adapt and innovate, allowing it to take entrepreneurial risks and make investment decisions for the long term.

Trusted expertise providing customers with the vital news and entertainment, analysis, data and information they need in the form that they want it.

Find out more about our global reach on page 05.

HOW WE CREATE VALUE

For customers
Our deep understanding of customer needs enables us to create content that gives our businesses a competitive edge and informs our customers.

For shareholders
We have a strong track record of generating a positive return. Investment of strong cash flow and our active portfolio management drive sustainable earnings and dividend growth.

For employees
We back talent, making it a priority to identify, develop and cultivate entrepreneurs within our business and through acquisitions.

Euromoney's conferences, seminars and training activities.

5. Transactions
dmg information's revenues from its property information business are influenced by property transaction volumes; they are "quasi-subscription" in nature due to their regularity and frequency.

Our approach
Leveraging expertise; we use our knowledge and experience to replicate business opportunities and develop our businesses across borders.

Freedom within a framework: we give our businesses autonomy to make the right decisions due to their close relationships with their customers, which drives product innovation. In exchange we set clear targets and demand financial discipline.

Incentives for management: we encourage entrepreneurship, fostering a sense of ownership and accountability and aligning remuneration with performance.

ADAPTING TO CONTINUOUS CHANGE

DMGT comprises of a portfolio of businesses working across diverse marketplaces. Each has its own individual characteristics as well as sharing common features and trends.

The commonalities and characteristics found across DMGT's portfolio define the nature of the environment in which we operate and create a framework when setting and implementing our strategy. These are:

- **Fast paced and frequently changing**
- **Technology driven, with constant innovation**
- **Customer centric**
- **Content and information driven**
- **International**

Other features of our marketplace are the competitive and consumer environments. Through our decentralised structure, we remain close to our customers and markets, allowing innovation and adaptability to drive growth opportunities across the Group.

COMPETITION

Some of our more specialist B2B businesses operate in specific niches which mean they are often the only major operator in that sector. Where our businesses operate in more competitive sectors we focus on innovation, ensuring we remain relevant and essential.

Our consumer media brands operate in perhaps the most competitive of marketplaces. The number of digital news providers continues to grow and compete with our print titles and websites for customers and advertising revenues. dmg media is fortunate to have consumer titles which benefit from being trusted brands with significant scale and audience reach enabling it to retain and, in some instances, grow its market share.

CUSTOMERS

Across our B2B businesses customers tend to demand high-value services and come from primarily the insurance, property, education, energy and finance sectors. We prefer to form long-term relationships with our customers by working with many of them on a subscription basis where we achieve high renewal rates.

The largest number of customers is in our consumer media business. We reach nearly 30 million people a month or 59% of the adult population in the UK. Our customer base outside the UK is growing as MailOnline continues to attract global audiences, especially in the US.

Our devolved and decentralised structure is essential in ensuring that our businesses remain nimble and close to their customers, therefore anticipating and meeting their ever-changing needs.

TRENDS

When considering the factors most likely to impact our diverse marketplaces we have identified four major trends. We ensure that the implications of these trends are considered both as opportunities and as risks. More detail on how we manage the risks can be found on pages 30 to 33.

CONTINUOUS INNOVATION

- Technological change is accelerating at a pace never seen before and so is the speed at which consumers are adopting new technology.
- It took 30 years for electricity and 25 years for telephones to reach 10% adoption but tablet devices have achieved this rate within five years.
- The 'internet of things' – networks of sensors to collect data, monitor and optimise processes – will drive productivity across a range of industries.
- Mobile continues to be a major trend, with data traffic set to increase nearly elevenfold between now and 2018.
- Automation will disrupt traditional roles. Many manual tasks have the potential to be delivered through robotics. Intelligent software systems can increase the productivity of knowledge workers.
- The entire landscape is becoming ever more global, with around five billion people forecast to have access to the internet by 2025.

DMGT and innovation

As an entrepreneurial company strongly focused on digital growth, DMGT keeps one step ahead by continually fostering innovation and embracing new ideas. At the same time, our family heritage encourages the long-term thinking needed to invest for the future. Our decentralised approach enables us to remain close to customers, gaining greater insight and understanding into exactly what they value, engage with and, ultimately, want to buy.

FOUR MAJOR TRENDS

IMPORTANCE OF DATA

- The amount of data available to businesses is growing rapidly and customers' demand for real-time information is also increasing.
- Companies are beginning to see their data as a revenue source and using advanced analytics to produce actionable insights.
- At the same time, as internet use grows so does the issue of cybersecurity. Despite excellent security practices employed by many cloud providers, these services are likely to be prime targets for attacks by cybercriminals.

DMGT and data

As a provider of valuable data to customers all over the world, DMGT is strongly positioned to benefit from these trends, and we will continue to create optimisation tools to automate the flow of information. We recognise the increasing importance customers place on real-time insights and are investing and innovating in this area. We are highly aware of the cybersecurity threat to our businesses, as well as to those of our customers, and the need to maintain constant vigilance.

GLOBAL SHIFTS

- Emerging and growth markets will continue to strengthen their economic power. By 2050 the GDP of the E7 (China, India, Brazil, Russia, Indonesia, Mexico and Turkey) is set to be double that of the G7 (US, Japan, Germany, UK, France, Italy and Canada).
- The trend for urbanisation continues, with 75% of the world's population forecast to be living in cities by 2050, with Africa and Asia leading the way. In 1990 there were 10 megacities (those with more than 10 million inhabitants) in the world. By 2030 this is forecast to rise above 40.

DMGT and global change

Understanding cities and their shifting demographics is critical to reaching urban consumers and the demand for information to do this will grow. Urbanisation will also increase demand for property and energy, already key market areas for DMGT companies. In terms of the shift in economic power, we continue to invest in growth markets, particularly Asia, seeking out new opportunities and establishing joint ventures. In our mature markets we remain agile. Rather than opting for a short-term strategy, we ensure that we adapt and innovate for the long term.

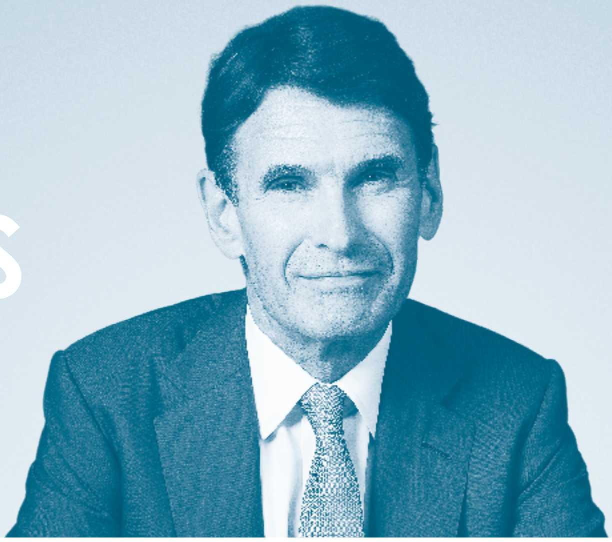
A COMPETITIVE TALENT POOL

- The supply of talent is shifting at a time when demand is increasing. Mature economies are not able to find the talent they need, just as emerging markets are increasing their demand for highly educated workers.
- The labour pool is shrinking, especially in terms of those qualified to take advantage of big data and analytics.
- The concept of a job for life is being challenged. Skills learnt now will become out of date in a few years' time, so the need for continuous education will become more important.

DMGT and talent

As a successful global employer able to offer a wide range of exciting opportunities, we are well positioned to attract talent and understand the need to constantly re-educate our people. As an organisation, we champion our strong and enterprising culture in order to attract and retain recruits, particularly those starting their careers.

PERFORMING WELL AGAINST OUR OBJECTIVES



Martin Morgan
Chief Executive

Introduction and Strategy

DMGT has delivered another year of strong performance with continued growth from the B2B companies and excellent profit performance from consumer media. Strong organic growth from investment and innovation and active portfolio management have ensured the effective use of shareholders' capital.

DMGT has pursued a consistent strategy of growing its B2B companies, developing its consumer businesses and diversifying internationally into high-growth markets. We measure the success of this strategy through our key performance indicators. There is an update on how these have progressed over the past year on pages 14 and 15 of the Strategic Report. The performance over the past year has been encouraging and with our stronger balance sheet we face the future with increasing confidence.

Financial performance

DMGT has delivered another year of strong performance in 2014. Group underlying revenues rose by 5% and underlying operating profit increased by 15%, at an operating margin of 17%. Although our reported results have been negatively impacted by the strength of the British pound against the US dollar, we are pleased to report that the adjusted profit before tax and earnings per share was in line with market expectations. Further information can be found in the Financial Review (pages 26 to 29).

Our performance in the year reflects good growth from the B2B operations and an excellent profit performance from the consumer media business, dmg media. The Group has delivered strong cash flows and executed successful disposals. As a result the year-end net debt to EBITDA ratio (1.5 times) was comfortably below the Group's preferred upper limit of around 2.0 times. DMGT's increased financial strength has enabled the Group to invest in our businesses, make acquisitions, conclude the share buy-back programme and early debt repayment, as well as increase the dividend.

In March we took the decision to postpone the launch of RMS(one), the real-time software as a service risk management platform being developed by RMS. The principal reasons were that product performance was unsatisfactory and that it had become clear that more development was required to meet customer expectations. A thorough review of the product's design was carried out and based on a new simplified architecture, and one which will utilise a range of the latest technologies, the launch is now planned for late 2015.

We regret the failure to deliver RMS(one) in accordance with the original timetable and the impact that this has had.

This Strategic Report sets out our Group strategy and objectives and an overview of performance. Further information on each of our operating businesses can be found on pages 16 to 25.

In the Financial Review (pages 26 to 29), Stephen Daintith, Finance Director, describes our earnings performance in detail. Our principal risks and the steps we take to mitigate them are set out on pages 30 to 33.

Social, environmental and community information is set out in our Corporate Responsibility Review on pages 35 to 37. Our approach to governance can be found in the Directors' Report commencing on page 40.

Strategic ambition

Over the past five years, DMGT has transformed into a more focused B2B information and consumer media group, generating growing underlying revenues and sustainable profits. This transformation has been delivered through:

- growing our B2B companies with organic growth enhanced by both acquisitions and investment;
- developing our consumer media businesses through the strength of the Mail brand across a range of consumer platforms and creating an effective and lower cost operating structure; and
- diversifying internationally through our B2B operations and MailOnline.

Our consistent strategy is pursued by the Group's operating businesses: RMS, dmg information, dmg events, Euromoney Institutional Investor (Euromoney) and dmg media.

We aim to deliver compelling proprietary content for both specialist B2B and consumer audiences. Our customers trust us to deliver vital information when and where they need it. We recognise

Represents a key performance indicator within the Annual Report

Our strategic ambition

Our strategic priorities

- Fostering innovation to deliver organic growth
- Maintaining rigorous and active portfolio management
- Driving international growth
- Using technology to enable growth
- Attracting and developing entrepreneurial talent

the opportunities in fast-changing markets where we are utilising digital innovation in an ever more interactive and real-time manner.

Our devolved and diversified operating structure ensures that our entrepreneurial philosophy can thrive with effective strategic decision making resulting from business leaders being close to their markets. DMGT continues to derive significant advantage from its long-term family ownership, creating an environment in which strong sustainable returns can be achieved based on a prudent view of risk. Active portfolio management and strong financial discipline are important aspects of DMGT's strengths with notable developments over the past year coming to fruition, as described throughout this report.

The significance of our B2B businesses has continued to increase. As a result of this we have decided to bring together the B2B companies, RMS, dmg information and dmg events, under a single division called dmg b2b. This will allow us to bring common management discipline to this area of DMGT as we have done with our consumer facing business through the previous formation of dmg media.

Suresh Kavan is the Chief Executive Officer of dmg b2b and I am its Chairman. Our individual businesses, such as RMS, will continue to be run by their CEOs. We will also continue to report the financial results of each of the three areas within dmg b2b (RMS, dmg information, dmg events) individually.

Strategic priorities

In order to deliver on our strategic ambitions, we are focused on five strategic priorities, which are listed above and expanded on pages 12 and 13.

Fostering innovation to deliver organic growth

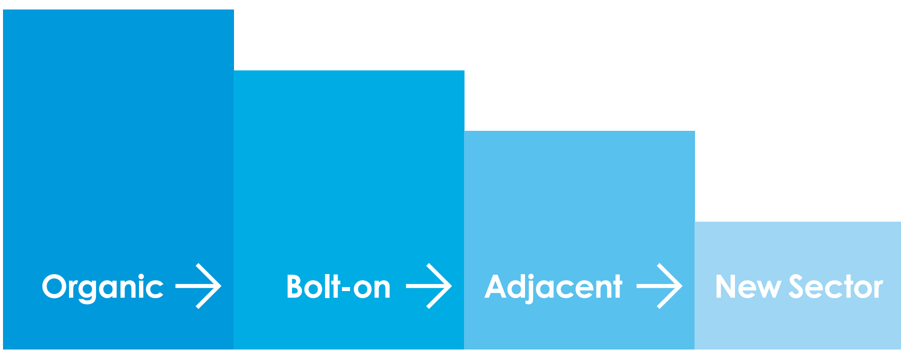
By creating an entrepreneurial environment in which innovation thrives, DMGT develops compelling content which is relevant and trusted. Our approach to fostering innovation is through organic investment and bolt-on acquisitions.

During the year there have been a number of significant organic investments. These include RMS(one), a real-time risk management platform, with a programme of incremental deliverables to Joint Development Partner clients being planned for late 2015. Within dmg information, investment has been made at Genscape, Hobsons and Trepp with resultant new product launches such as Hobsons' Naviance Curriculum, and Trepp's Trepp Trade. Euromoney has delivered a new digital content platform, Delphi, which will enable faster growth at many of its businesses. On the consumer side, further investment has been made at MailOnline and Wowcher.

Maintaining rigorous and active portfolio management

During the year there were a number of significant developments with both acquisitions and disposals being made. We are also increasingly taking influential minority stakes as a way of making new additions to the portfolio. Our overall aim is to create a balanced revenue stream by market sector and geography to ensure the resilience of the Group's long-term growth trajectory by an effective use of shareholders' capital.

DMGT investment preferences



> "Our customers trust us to deliver vital information when and where they need it."
>
> **Martin Morgan,** Chief Executive

MEETING DMGT'S INVESTMENT CRITERIA

We have a consistent and considered approach to investments. We look to invest in businesses which:

- have the potential for high rates of organic growth;
- are international in reach;
- have innovative products, quality content and deep customer insight;
- are market leaders;
- have entrepreneurial and creative leadership;
- can benefit from DMGT's long-term perspective; and
- meet our financial criteria.

Various acquisitions were made to expand the depth and breadth of our B2B activities. dmg information expanded its property information services through acquiring Decision Insight Information Group (DIIG), Genscape further developed its energy information services through acquiring the US-based Energytics, dmg events expanded its sector reach by acquiring Quartz Coatings, Euromoney acquired Infrastructure Journal and the Mining Investment Events Division of Summit Professional Networks (Mining Indaba) enhancing its product offering in the metals and mining sector.

In October 2014 we disposed of Lewtan, part of dmg information. The business was sold to maintain our strategic priority to be a rigorous and active portfolio manager and to dispose of businesses when they have a higher value to another owner.

During the year, the transformation of dmg media has led to the disposal of Evenbase, the digital recruitment business, and a reduction in our stake in the Zoopla Property Group Plc (ZPG) through an Initial Public Offering. We are pleased with the return on capital achieved on both these businesses and we will retain our remaining c. 32% stake in ZPG for the foreseeable future.

Influential stakes in businesses of strategic importance were made by Hobsons in iProf in India, by dmg information in Skymet, also in India, and Genscape's investment in Petrotranz, which was increased to just over a 50% stake in November 2014. By using our expertise in developing young businesses, we believe we can build these initial stakes into valuable long-term growth opportunities. Further information on our joint ventures and associates can be found in the Financial Review on pages 26 to 29.

We retain a balanced capital allocation approach. We now have increased flexibility made possible by our strengthened balance sheet, to create shareholder value. While organic investment remains our first priority, supported by bolt-on acquisitions, we will also continue to identify targeted acquisitions in adjacent markets and new sectors. These investments will be balanced against delivering real dividend growth, pension fund contributions as well as further returns in the form of share and bond buy-backs.

We have a consistent approach to regularly evaluating the strength of our existing portfolio as well as new opportunities which are summarised in DMGT's investment criteria table on the left.

Driving international growth

Growth in new geographies and sectors is a long-term ambition and further progress was made during 2014. Our non-UK revenues now account for 47% of total revenues with 26% coming from North America and 21% from the Rest of the World and non-UK revenues grew at an underlying rate of 9%.

We are progressively establishing offices and investing in businesses across Asia, Africa and South America.

- RMS has established a sales office in Singapore and China to expand into the Pacific region, complementing its well-established business in Japan.
- dmg information's new regional offices in Singapore and New Delhi have brought a number of our operations together and are creating new momentum.
- Genscape will be starting operations in Japan.
- dmg events is expanding in India and South East Asia and its Energy division is establishing itself in Mexico and looking to expand its presence in this region.
- Entry into Africa is being led by exhibitions and conferences, in particular by dmg events in energy as well as Euromoney in the mining sector through its acquisition of Mining Indaba.

We remain confident that there is considerably more international growth potential to unlock over time.

Using technology to enable growth

Technology is a business enabler for our proprietary content through platform development or from exploiting device-led opportunities. In the past year, there have been a range of new platform developments. For example, Hobsons'

Radius and Euromoney's Delphi which are creating new business opportunities. In the consumer media environment, understanding how technology can harness the value of scalable audiences through developing new apps for mobile devices and linking with social media are ongoing development areas for MailOnline and Wowcher.

One way in which we measure our ability to harness technology has been through monitoring the proportion of our revenues from digital sources. In 2014, we have seen a further increase in the digital share of Group revenue to 46%.
The proportion of digital revenues is expected to continue to grow.

Attracting and developing entrepreneurial talent
Creating a culture where innovation thrives is vital in attracting and developing entrepreneurial talent. We believe that the quality of leadership will dictate the pace and success of the Group's future growth. Our businesses continue to achieve external recognition with a range of awards over the past year reflecting the depth and strength of talent at DMGT.

DMGT has established a strategy on how to recruit, retain and develop its talent to ensure ongoing success. One of the main initiatives has been the Leadership Development Programme which almost 100 senior leaders have attended this year. It addresses the fundamentals of how technology, market dynamics, innovation and customer challenges can be harnessed. Hackathons, based in London and New York, were held to stimulate technical innovation. To reflect the growing importance of product management, the first project management workshop was held.

It is important to adapt our remuneration arrangements to reflect fast-moving market conditions and the Group's longer-term investment horizon. Details of our approach to training, management and remuneration are set out in detail in the Corporate Responsibility Review (pages 35 to 37) and in the Remuneration Report (pages 51 to 73).

Trends affecting DMGT
DMGT's markets remain challenging, not only from an economic perspective but also due to the pace of technological change and patterns of consumption in both B2B and consumer environments.

Technology is enabling businesses to innovate on faster cycles and often at lower cost than before, which is creating new opportunities. Demand for vertical specialities and the ability to analyse and use data in real-time on a scale previously unknown, is a powerful trend and one we intend to exploit. We believe that the quality and interpretation of data will become increasingly important and one that can be driven by harnessing technological innovation and by deeply understanding customer needs.

The continued exponential growth of the consumer internet economy linking to social media and accessing information across an ever-increasing number and variety of devices is an important trend and one which DMGT is already exploiting. We recognise that ongoing innovation will be required to maintain our strong market positions.

More information on the trends affecting DMGT can be found on page 08 of the Strategic Report.

Share price
The price of DMGT's A Ordinary Non-Voting Shares (A Shares) has increased by 1% from £7.62 on 30 September 2013 to £7.68 on 30 September 2014, compared to a 3% increase for the FTSE All-Share Index over the year.

Outlook
The Board remains confident that the Group has excellent long-term growth prospects. DMGT has created a diverse set of businesses which together provide a sustainable platform for long-term growth.

The financial performance in 2015 will be adversely impacted by investment in RMS(one), one of dmg events' largest events, Gastech, not occurring in the year and by the disposal of the Evenbase digital recruitment business during 2014.

Given our increased financial strength, we are in a position to capture growth opportunities through further investment and acquisitions. Our teams of talented entrepreneurs have the ability to navigate their way through challenging market conditions to exploit growth opportunities and deliver long-term shareholder value. DMGT's outlook remains positive and we look forward to making further progress in 2015.

Martin Morgan
Chief Executive

MEASURING OUR PERFORMANCE

Represents a key performance indicator within the Annual Report

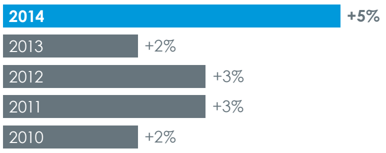
Our strategic priorities

- Fostering innovation to deliver organic growth
- Maintaining rigorous and active portfolio management
- Driving international growth
- Using technology to enable growth
- Attracting and developing entrepreneurial talent

Description	Relevance	Performance	Narrative

Underlying revenue growth

Relevance: Underlying revenue growth compares revenues on a like-for-like basis and is an important indicator of the health and trajectory of the individual businesses and the Group as a whole.



Underlying revenue growth

+5%

2013: +2%

The increase in underlying revenue growth reflects the strength of the B2B businesses (+8%) and a stable performance from dmg media.

Group adjusted profit before tax

Relevance: As a portfolio-based Group, DMGT periodically buys and sells businesses and allocates capital to increase adjusted profit before tax over the long term.

Group adjusted profit before tax#*

£291m

2013: £267m

Group adjusted profit before tax grew by 9%, despite the adverse impact of the stronger British pound relative to the US dollar. dmg media and dmg information were significant contributors to the growth.

Operating margin

Relevance: Increasing adjusted operating margin indicates an improvement in the quality of DMGT's business assets, though is balanced with investing for the long term and seeking strong underlying revenue growth.

Operating margin#*

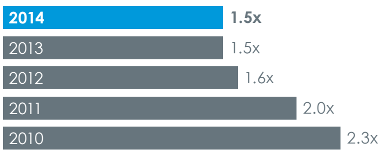
17%

2013: 17%

The Group margin remained unchanged in the year as the acquisition of lower margin businesses within dmg information and increased RMS(one) costs were offset by an improved margin at dmg media.

Net debt/EBITDA ratio

Relevance: Management aims to maintain a strong balance sheet and retain DMGT's investment-grade status and consequently targets the year end net debt/EBITDA ratio to be no more than 2.0 times.



Net debt/EBITDA

1.5x

2013: 1.5x

Through strong operational cash flows, continued portfolio management and tight control of working capital, the net debt/EBITDA ratio remains comfortably below our preferred upper limit of 2.0 times despite share buy-back programmes.

Earnings per share

Relevance: Management seeks sustained long-term growth in adjusted earnings per share to maximise overall returns for DMGT's owners.

Earnings per share#*

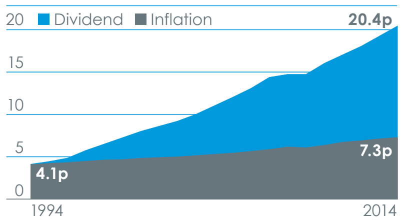
55.7p

2013: 49.9p

The continued growth in adjusted earnings per share reflects the improved profitability of our business and the effect of the share buy-back programmes.

Dividend per share

Relevance: The Board's policy is to maintain dividend growth in real terms over the long term and for this to be supported by earnings per share growth.



Dividend per share

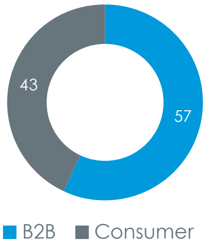
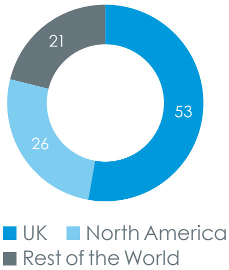
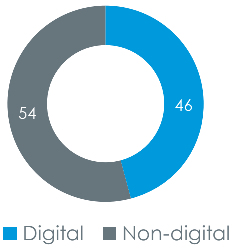
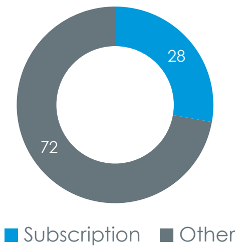
20.4p

2013: 19.2p

We have proposed a full-year dividend of 20.4 pence, up by 6% from last year, continuing our strong track record of dividend growth and delivering an 8% cumulative annual growth rate over the past 20 years.

DMGT has pursued a consistent strategy of growing its B2B companies, developing the consumer businesses and diversifying internationally into high-growth markets.

The Board seeks to deliver sustained long-term growth for DMGT's owners and understands the importance of attracting and developing entrepreneurial talent, fostering innovation and using technology to deliver that growth. Due to DMGT being a changing portfolio of different companies, many Key Performance Indicators (KPIs) that are targeted by individual businesses, such as client numbers, revenue per client and employee productivity, are not appropriate at a consolidated Group level. The KPIs shown below however are considered to be good indicators of the Group's overall progress against its strategic priorities.

Description	Relevance	Performance	Narrative	Strategic priority
Balanced revenue by sector	DMGT seeks to develop its consumer media businesses and grow its B2B companies. This KPI tracks the proportion of total revenues attributable to each sector.		**B2B/Consumer revenue mix#** **57%/43%** **2013: 53%/47%** We continue to maintain a balance of revenues between B2B and Consumer businesses. The underlying growth of the B2B businesses and portfolio management resulted in a greater proportion of revenues coming from B2B despite the strength of the British pound.	
International share of total revenues	This measures the proportion of revenue generated outside the UK. DMGT's long-term strategic objective is to develop into a global growth company. This KPI measures DMGT's success in internationalising the business.		**International share of total revenues#** **47%** **2013: 48%** The strength of the British pound during the year had an adverse impact on the proportion of revenues from outside of the UK.	
Digital share of total revenues	We expect digital activities to account for the majority of DMGT's future growth. This KPI tracks the proportion of Group revenues that come from the digital content.		**Digital share of total revenues#** **46%** **2013: 42%** The mix of the Group's revenues continued to change with an increased proportion of digital revenues and reduced print revenues.	
Subscription share of total revenues	Subscription-based revenue is a more stable and less cyclical revenue source than advertising and is largely derived from digital B2B products. This KPI tracks, relative to the rest of the portfolio, the Group's ability to generate high-quality, digital B2B earnings.		**Subscription share of total revenues#** **28%** **2013: 29%** The strength of the British pound during the year had an adverse impact on the proportion of subscription-based revenues as these are primarily US dollar denominated.	
Organic investment as a % of total revenues	Investing back into the businesses to support product innovation and effective use of technology, is key to delivering DMGT's sustained long-term growth. The Board expects organic investment to be at least 5% of revenues.	**7%**	**Organic investment as a % of total revenues** **7%** **2013: 7%** DMGT continued to reinvest in the businesses during the year, notably in RMS, dmg information, Euromoney and MailOnline.	

From continuing and discontinued operations.

* Before exceptional items, other gains and losses, impairment of goodwill and intangible assets, pension finance charges, premiums on bond redemptions and amortisation of intangible assets arising on business combinations.

RISK MANAGEMENT SOLUTIONS

Risk Management Solutions (RMS) is a vibrant company, leading and developing the industry it helped create 25 years ago with innovative risk management solutions. Its entrepreneurial founder still leads the company, which has been part of DMGT since 1998.

Business review	2014 £m	2013 £m	Movement %	Underlying %
Revenue	**172**	175	-2%	+4%
Operating profit*	**45**	57	-20%	-12%
Operating margin*	**26%**	32%		

* Before exceptional items, impairment of intangible assets and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 81 and the reconciliation in Note 13 to the Accounts.

RMS continues to be a market leader in catastrophe modelling. RMS has taken clear strategic actions to create a sound future for the business. The roll-out programme for RMS(one), the groundbreaking new risk management environment, has been redefined. Both the core business and RMS(one) are expected to underline RMS's long-term growth prospects.

Business model

RMS is a world leader in catastrophe modelling, providing critical risk management solutions to hundreds of financial institutions around the world. RMS offers information and analysis to insurers, brokers and reinsurers and its services are increasingly in demand from new sectors and organisations.

Revenues are derived mainly from annual subscriptions, with recurring revenue renewal rates of 95%. RMS has healthy operating margins reflecting the high value its customers place on its products and services and the strength of the company's market position.

Performance highlights

RMS produced solid results with underlying revenue growth of 4% to £172 million. Reported revenues were down 2% reflecting the adverse impact of the strength of the British pound versus the US dollar. The core modelling business saw continuing good demand for its subscription services and overall renewal rates remained above 95%.

We did not deliver RMS(one) when we said we would, and we very much regret that we let down clients, our hard-working team, and you, our shareholders. A revised plan has been implemented which will result in a programme of incremental deliverables to Joint Development Partner clients during 2015. At a minimum, delivery of RMS's first high-definition models to the broader client base is expected by late 2015. RMS expects that this lower risk, phased approach will lead to staged utilisation by RMS's broader client base.

The delay in the launch of RMS(one) impacted our financial performance. Details are set out on page 26 in the Financial Review.

RMS continued to innovate in the catastrophe modelling market producing highly competitive models. Recent releases included the US and Canada Severe Convective Storm Models, the China and Hong Kong Typhoon and Coastal Flooding and the US Hurricane and Coastal Flooding models. These products have been well received by customers and beneficially influenced RMS's performance in the year.

In Capital Markets, structural changes in the industry are creating opportunities for RMS. Pioneering a new approach to modelling indemnity catastrophe bonds, RMS facilitated the launch of a high-profile, innovatively structured Catastrophe Bond which commanded good levels of demand in the market.

When completed, RMS(one) will be the first and only real-time exposure and risk management environment and is a major development for the industry (see pullout box). Following the postponement of its launch, the approach to the development of the product changed during 2014 with certain elements of the existing software being improved and simplified in order to enhance the product's performance, functionality and openness.

Strategic priorities

The strategic focus for RMS has been to sustain the market position of its core modelling capabilities alongside developing RMS(one), which will reinforce the future of the business.

Key developments

- Launch of new storm models
- The delay of RMS(one) and continued investment in the product

Fostering innovation to deliver organic growth
The vitality of the business has been demonstrated this year with several new initiatives and developments.

RMS(one) continues to be the major strategic development and has the potential to open up a new wave of modelling capabilities, products and clients. By the end of 2015, RMS(one) aims to make available the industry's first High-Definition models. The RMS(one) eco-system is attracting a robust set of partners who are creating new third-party catastrophe models to extend the choice available to clients for a market-leading, comprehensive risk management solution.

RMS announced an exciting partnership with the Risky Business initiative. Launched in October 2013, it aims to quantify and publicise the economic risks the US faces from the impacts of climate change. RMS joined the initiative as a content partner, and intends to further develop methods to model climate change risk that foster market-driven solutions.

In July 2014, a public-private partnership with the United Nations and The World Bank was announced as part of a new RMS initiative to expand access to its catastrophe models for governments in developing and developed countries.

RMS announced a partnership in September 2014 with The Rockerfeller Foundation's 100 Resilient Cities initiative which will allow cities in the 100RC Network access to the RMS(one) exposure and risk management platform as well as RMS

"We are pursuing a vigorous programme of catastrophe modelling development to lead and respond to escalating global risk issues including climate change."

Hemant Shah, Co-Founder and CEO

catastrophe models to help them make well-informed decisions about managing and mitigating natural hazard risk.

Driving international growth
RMS derives over 40% of its revenues from clients in North America, with the balance coming from around the world, mainly Bermuda, Europe and Asia. The new RMS office in Singapore creates a base from which to expand into Australia, Japan and China over the longer term. Initial developments have included establishing a sales operation with a new emerging market customer base of domestic Asian companies. Changes and consolidation in the insurance industry in Japan also provide good growth opportunities for RMS.

Using technology to enable growth
RMS(one) will be a groundbreaking technological innovation that will transform risk management. Redefining our rollout programme and refocusing the business were difficult steps to take but represent a key stage in RMS's understanding of both the complexities of a major IT initiative and the commitment to deliver what is right for DMGT, RMS and its customers.

Attracting and developing entrepreneurial talent
RMS has been nurturing a global community of talent with a particular emphasis on enhancing the quality of the catastrophe modelling team, which increased in size by 25% last year. As part of the refocusing of RMS(one)'s direction, a reorganisation of the business resulted in a reduction in staff of just under 10%, primarily in software engineering, along with the recruitment of key new talent and leadership and a concerted effort to focus critical work behind top existing internal talent. Appropriate retention and incentive plans have been put in place as part of the overall approach to attracting, retaining and developing the right capabilities across the RMS organisation.

Risks
The most significant risks for RMS are those relating to the launch and subsequent performance of RMS(one). RMS is dependent on a small number of third parties for platform and application development. Non-performance by one or more of these third parties could jeopardise the planned release of RMS(one), the quality of the final product, or subsequent client adoption rates. Controls in place to reduce this risk include additional Board governance, financial incentives and contract milestones, and these relationships are constantly monitored and reviewed.

To mitigate the development risks, RMS has in-sourced expertise and resources from highly specialised partners for platform and for application development. RMS's in-house team continue to have the major role in the development, launch and sales of RMS(one). The risk from a loss of key talent remains relevant.

Additional risks relating to RMS(one) are that the cloud infrastructure does not meet client usage and service level commitments.

Priorities in the year ahead
The main focus for the RMS management team in 2015 will be the continued development of RMS(one). RMS is committed to delivering a product which meets and then exceeds clients' needs and expectations, and one which will transform the long-term growth prospects of the business.

Alongside this, RMS will maintain a vigorous programme of catastrophe modelling development, responding to the global climate change debate and other important risk themes. Two important core model releases for RMS in early 2015 will be updates to the European Windstorm and North Atlantic Hurricane models. RMS is also developing the industry's first High-Definition models, which will include the Japan Typhoon, European Flood, New Zealand Earthquake and US Earthquake.

Overall, RMS will ensure that it maintains and strengthens its position as a world leader in risk management solutions.

Outlook
RMS expects underlying revenue growth to be in the low single digits in 2015. Significant RMS(one) revenues and amortisation costs are not expected to commence until financial year 2016, due to the delayed delivery of the product. With the changed approach to product development, capitalised development expenditure in financial year 2015 is expected to be materially lower than the £36 million in financial year 2014. The combination of the reduced capitalisation of development costs and committed increases in RMS(one) data centre costs will result in RMS's overall operating profit margin being around 10% to 15% in financial year 2015.

RMS(one): 2015 key actions

All exposures
All risks
One place

High-Definition models

Own your view of risk

Democratisation of insights

Real-time

When completed, RMS(one) will be the first and only real-time exposure and risk management environment for insurers and reinsurers. We are implementing a revised plan for RMS(one) which will have four key implications:

1) We do not now expect any new meaningful revenues from RMS(one) until FY 2016, with a consequent adverse impact on profitability in FY 2015 (see Outlook section).

2) Our immediate focus is to meet the needs of our six Joint Development Partner clients. We are working closely with them on an agile programme of incremental deliverables throughout 2015.

3) We will continue to support existing RMS products that are in the market for years to come.

4) We are continuing to work on the schedule of what capabilities will be available and when. At a minimum, the first high-definition models will be released to our client base by late 2015.

DMG INFORMATION

dmg information is a portfolio of innovative companies, providing specialist B2B services, which thrive under an entrepreneurial and growth-focused management approach.

Business review	2014 £m	2013 £m	Movement %	Underlying %
Revenue	**391**	293	+34%	+12%
Operating profit*	**68**	58	+17%	+26%
Operating margin*	**17%**	20%		

* Before exceptional items, impairment of goodwill and intangible assets and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 81 and the reconciliation in Note 13 to the Accounts.

dmg information's companies are experts in their field, providing high-value B2B content and information services to the property, education and energy sectors.

Business model

Each of dmg information's companies has a strong position in its market niche, operating in attractive, long-cycle sectors with good growth prospects. Proprietary content and vertical expertise, combined with a strong focus on class-leading content and solutions delivery, ensures close customer relationships are built and maintained. Around 90% of dmg information's revenues are subscription based or quasi-subscription based with high renewal rates and healthy profit margins.

Performance highlights

dmg information delivered another year of good performance, achieving broad-based, double-digit growth in underlying revenues across most of the portfolio. Revenues were £391 million with underlying growth of 12%. Reported revenue growth was 34% reflecting the benefit of acquisitions partly offset by the adverse impact of the strength of the British pound relative to the US dollar.

Operating profit increased by an underlying 26% to £68 million with an operating margin of 17%.

Margins declined compared to the previous year due to the acquisition of the lower margin Decision Insight Information Group (DIIG) (known as SearchFlow) and the inclusion, for the first time, of loss-making Xceligent as a subsidiary. The underlying margin adjusted for these increased nicely, reflecting good flow-through of profit from new sales.

Achieving the optimal balance of organic investment and bolt-on acquisitions is an increasingly important element of dmg information's strategy. The business continued to actively manage its portfolio in the property and energy sectors and made strategic investments elsewhere.

In property, revenues grew by 13% on an underlying basis. EDR delivered robust growth in the context of a flat US commercial property market, supported by the roll-out of the EDR Lender Portal, a web-based compliance application. Xceligent, the provider of verified US commercial real estate information, continued to build out its geographical footprint. In the UK, Landmark and SearchFlow produced strong growth, buoyed by the upswing in the residential property market and further new product initiatives.

In education, Hobsons grew its revenues by an underlying 12%. In the US, Hobsons' services continue to benefit from rising demand from high schools and from higher education institutions for their enrolment services. New product launches included Naviance Curriculum, a blended learning solution to help students reach their long-term career goals using proprietary video content. Hobsons' Australian business continued its expansion with a diversified product offering through Edumate and Naviance.

In energy, Genscape continued its strong growth trajectory providing real-time, fundamental production data and analysis across the power, oil, gas, agriculture, biofuels and maritime shipping markets. Underlying revenues rose by 21% with good organic growth from its oil, North American gas and biodiesel products.

The financial information businesses, Trepp and Lewtan, delivered underlying revenue growth of 5%. In the context of the continuing challenges faced by the financial markets they serve, this was an encouraging performance and reflects the companies' strength of market position and successful product innovation.

Key developments

- Acquisition of Decision Insight Information Group (DIIG) (SearchFlow)
- Hobsons new product launches
- Genscape continued growth
- Trepp product innovation
- Disposal of Lewtan (October 2014)

"We have a commitment to organic growth and innovation, combined with carefully targeted acquisitions to create long-term sustainable growth."

Suresh Kavan, Chief Executive

Active portfolio management

Since 2011, dmg information has become increasingly focused on strategically aligned acquisitions to optimise its long-term growth potential. The largest of these to date was SearchFlow, for £76 million in October 2013, a property information company complementary to dmg information's existing businesses. Genscape acquired Energytics, a provider of information services to energy traders. With the Energytics predictive analytics services, Genscape is expanding its real-time and day-ahead power market analytics. Hobsons expanded into the Indian education market with the purchase of a 10% stake in iProf Learning Solutions, a leading learning management and test preparation provider.

Lewtan was sold after the financial year end. The business was sold to maintain our strategic priority to be a rigorous and active portfolio manager and to dispose of businesses when they have a higher value to another owner. Trepp will be classified under property information going forward.

Strategic priorities

Fostering innovation to deliver organic growth

dmg information continues to invest organically to ensure that its companies have product and technology foundations that can scale with the continued growth of the businesses.

Hobsons further developed its position in the education market through the launch of Radius, the first Student Lifecycle Management solution to proactively engage students during recruitment, enrolment and through to graduation. Trepp consolidated its position in the commercial mortgage-backed securities (CMBS) market with the launch of Trepp Trade a collaborative workflow solution that provides bid list management, analysis and colour tracking.

Driving international growth

dmg information continues to expand its geographic footprint and has invested in regional headquarters in Singapore and a centralised office in Delhi, India. Together these create the foundations to bolster international growth. Within its businesses, there is also a focus on international growth. With its new office in Kuala Lumpur, Hobsons is an early entrant into Asia and is seeking to leverage the existing product set and services already provided in Australia. Additionally, Asia Risk Centre (ARC) the independent specialised modelling and analytics company in the agriculture domain, is now included in dmg information's portfolio, and has offices in Singapore, California and Delhi.

Attracting and developing entrepreneurial talent

As a parent group, dmg information nurtures an environment where entrepreneurs have the freedom to innovate and lead their companies in a fast-changing market. Given the increasing scale of dmg information's strategic ambitions, there has been a renewed focus on enhancing and strengthening talent within the individual businesses. In particular, Landmark and Genscape have expanded their teams to ensure the resources are in place to meet their growth expectations.

Risks

The principal risks impacting dmg information are those arising from a data security breach and the regulation of data.

Within business information companies that are holding significant volumes of data, some of which is of a personal nature, a data breach could negatively impact the reputation of the business and trust of its customers. dmg information businesses such as Hobsons, Trepp and Genscape could be adversely impacted by a data breach or cyberattack.

Similarly, any new law or regulation that requires the free public provision of energy or environmental property information would dilute the value of a number of dmg information's businesses such as Landmark, EDR and Genscape.

Other risks relating to dmg information's high-growth businesses include talent development and retention, emergence of new competitors and failure to identify new technological trends in the market.

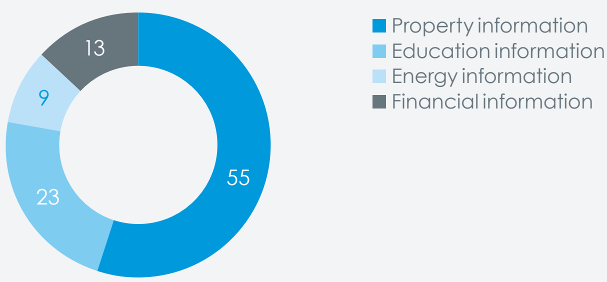
Priorities in the year ahead

dmg information will continue to execute on its strategy with a commitment to: organic growth and innovation; a continued focus on bolt-on acquisitions; and a continuous study of new sectors and geographic entry opportunities. It is also an active portfolio manager, constantly reviewing its businesses for strategic fit.

Outlook

Given the long-cycle nature of the sectors served, there will be a bias towards long-term investment and decision making rather than reflecting short-term trading dynamics. Overall, revenues are expected to grow by around 10% on an underlying basis in 2015. Over the next three years, further efficiencies are expected from greater scale, although in the near term further investment will be required to expand our geographic footprint and make appropriate technology developments. Operating margins are expected to remain in the high teens in 2015.

Revenue by sector (%)



DMG EVENTS

dmg events' entrepreneurial culture creates opportunities in high-growth geographies and sectors.

Business review	2014 £m	2013 £m	Movement %	Underlying %
Revenue	**100**	87	+15%	+21%
Operating profit*	**27**	21	+28%	+29%
Operating margin*	**27%**	24%		

* Before exceptional items, impairment and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 81 and the reconciliation in Note 13 to the Accounts.

With access to fast-changing market environments, dmg events now generates growth from almost half a million visitors per year, and over 13,000 exhibitors from more than 60 countries. An entrepreneurial culture backed by investment has encouraged extensive innovation which has created strong levels of growth.

Business model

Operating over 70 fairs and conferences annually across over 20 countries has seen the business establish a balanced and diversified global footprint. Many of the events are highly regarded, large-scale events enjoying strong growth. A market-focused strategy has enabled fast expansion through a clear ability to deliver high-quality events in response to clients' needs.

Performance highlights

dmg events delivered strong results in 2014, with underlying revenue growth of 21% and underlying profit growth of 29%. Reported results benefited from one of the large biennial events, Global Petroleum Show (GPS), being held in June 2014 but were adversely impacted by the stronger British pound relative to the US dollar.

dmg events has created a range of value-added initiatives which have driven demand and expanded the size of the existing events. These have included adding new sections and demonstrations as well as creating educational features and additional content. It has also enabled the successful increase in the frequency of some of the large events, with strong performances from Gastech, GPS and ADIPEC. The business has also successfully operated in a variety of new geographies within the 'Energy and Construction' portfolios, expanding into new countries such as Mexico, Kuwait, India and South Korea during 2014.

The 'Construction & Interiors' and 'Hotel & Hospitality' assets have experienced dynamic growth particularly with the Big 5, INDEX and Hotel Show brands. The Big 5 Dubai event has established itself as the largest construction event in the Middle East and Africa, creating successful geo-clones in Saudi Arabia, Kuwait and India. INDEX, a design exhibition, and the Hotel show, both Middle East based, enjoyed strong growth generated from the addition of new event sections and features.

Strategic priorities

Strategic priorities remain focused on developing a balanced and diversified portfolio of market-leading, branded events. Given the growth opportunities within the existing portfolio, dmg events will remain in the high-spend, long-cycle sectors with strong macro trends of 'Energy, Construction & Interiors' and 'Hotel & Hospitality'. Over the medium term, further expansion will be accelerated by entering new long-cycle, high-spend related sectors in both established and emerging markets.

Fostering innovation to deliver organic growth/Using technology to enable growth
Our entrepreneurial culture will enable continued successful innovation to drive organic growth. In addition, adopting the latest technologies to enhance the user experience, such as apps which enhance event navigation and communication, in-door positioning and near-field communications, will improve the quality of events. Through the use of mobile technology, using big data from events to gain greater visitor knowledge, exhibitors' marketing can be more targeted, scientific and therefore more effective.

Key developments

- Increased frequency of key shows
- Geographic expansion

"Innovation initiatives and a market-focused strategy are creating exciting long-term opportunities for dmg events."

Geoff Dickinson, CEO

Maintaining rigorous and active portfolio management
During 2014, investment has been allocated to expand existing successful sectors. The Quartz Coatings event acquisition made in January 2014 complemented the existing Middle East Coatings show. The acquisition, which operates in Vietnam, Thailand, Indonesia, Mexico and Morocco, is also expected to enable cloning of existing events into new geographies. In the year ahead, dmg events will continue to examine a variety of strategic investments and acquisitions in either existing or new geographies and sectors.

Driving international growth
dmg events will continue to expand into new geographies where appropriate. High levels of growth have been generated from emerging markets through establishing strong stakeholder relationships and by carefully identifying markets that are less volatile and aligned to dmg events' sectors. In the medium term, dmg events expects to expand its presence in the following areas:

- North and Latin America;
- South East Asia, India and China;
- Africa; and
- Arabian Gulf.

Attracting and developing entrepreneurial talent
A light touch management style, supported by recruiting top talent with proven entrepreneurial skills, continues to help dmg events to grow. Through training, backed by mentoring and coaching, dmg events constantly aims to create leading events teams. Incentive schemes, awards and recognition programmes are developed to make dmg events the preferred events environment for ambitious top talent.

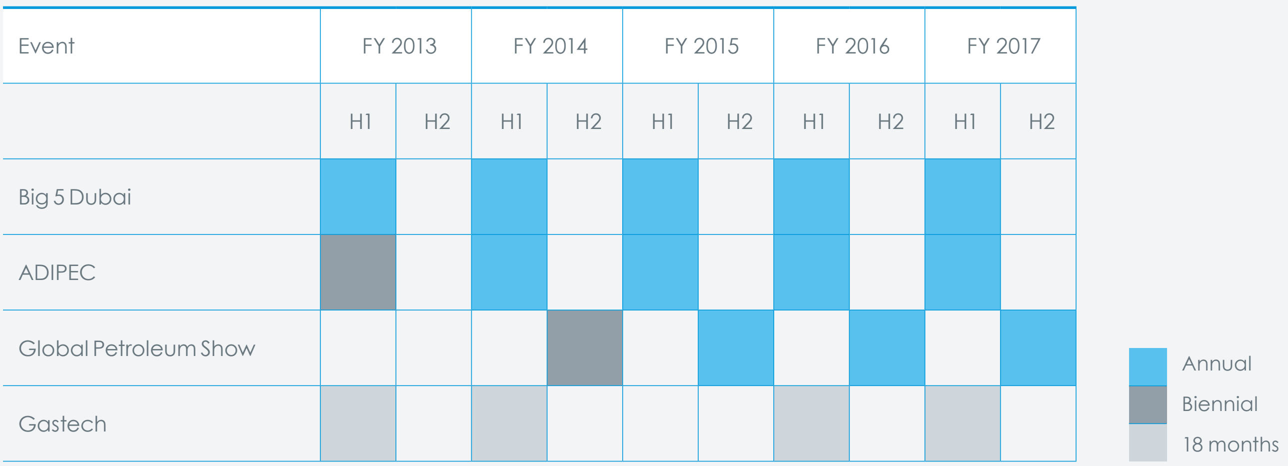
Risks
The key risk facing dmg events is reliance on venues. dmg events is reliant on third-party venues in which key events are run. The loss of a key venue shortly before a major show could result in a cancelled, or significantly curtailed, event with a resultant impact on both revenue in the year of cancellation and, potentially, in subsequent years.

Other risks include talent development and retention, competitor threats and geopolitical unrest or a catastrophe, which could affect global travel.

Priorities in the year ahead
Following a very successful Global Petroleum Show in 2014, to meet market demand, the event will be moving to an annual basis in 2015. The increased frequency of this large event will be a clear priority for the Energy business. The continuing strategy of driving strong entrepreneurially led organic growth will be accelerated through increased investment in new sectors and geographies.

Outlook
Gastech, one of dmg events' largest events, won't be occurring during FY 2015 and the Global Petroleum Show is expected to be a smaller event as it moves from a biennial to an annual cycle. Consequently, reported revenues are expected to decline by around 10% although, given the range of growth initiatives across the dmg events portfolio, underlying revenues are expected to increase by between 10% and 15%. The operating margin is expected to be between 20% and 25%.

Creating a smoother cycle: frequency of major events



EUROMONEY INSTITUTIONAL INVESTOR

The diversity of Euromoney's portfolio of leading international B2B information services has supported a resilient performance despite challenging market conditions.

Business review	2014 £m	2013 £m	Movement %	Underlying %
Revenue	**407**	405	+0%	+3%
Operating profit*	**117**	119	-1%	+4%
Operating margin*	**29%**	29%		

* Before exceptional items, impairment and amortisation of goodwill and intangible assets arising on business combinations; see Consolidated Income Statement on page 81 and the reconciliation in Note 13 to the Accounts.

Euromoney is a major contributor to our B2B strategy of achieving international growth, particularly in emerging markets. It is publicly listed on the London Stock Exchange and DMGT owns a c. 68% stake.

Business model

Euromoney is an entrepreneurial B2B organisation operating in fast-changing, international markets. Investment in its Delphi digital platform (see page 23 for information) enables the long-term growth of its products and services, with a particular strategic focus on increasing the proportion of subscription revenues.

Euromoney is focused on the international finance, metals and commodities sectors. It provides digital research and data, publishes both online and print titles and runs conferences, seminars and training courses all over the world. Half of Euromoney's revenues derive from subscriptions and a third from emerging markets.

Performance highlights

Euromoney continues to operate in challenging conditions in several of its markets, which impacts its performance. Revenues were up by 3% on an underlying basis at £407 million. Flat reported revenues reflected the benefit of acquisitions offset by the strength of the British pound relative to the US dollar. The operating margin remained stable reflecting tight control of underlying costs offset by the planned investment in digital publishing, including the Delphi platform.

The performance reflects modest growth in subscription services, helped by improving conditions in the asset management sector. There was good growth in event sponsorship and delegate revenues and profits, in the context of challenging financial and commodities markets. Advertising revenues were weak reflecting the continued pressure on global financial institutions.

By division, Research and Data delivered a slight underlying decline in revenues through the subscription services of BCA and Ned Davis Research (NDR). Financial Publishing and Business Publishing both produced good revenue performances although operating margins decreased reflecting the investment in the transition to a digital-first publishing model. The Conferences and Seminars division delivered growth in revenues and profits benefiting from its exposure to the asset management industry. Training revenues declined as banking sector customers reduced their spending, although margins increased slightly following a restructuring undertaken in the previous year.

Euromoney has a strong balance sheet with a net debt/EBITDA ratio of 0.3 times. Investment in the digital transformation of Euromoney continued with the launch of the first products (BCA Research and Global Capital) on its new technology platform, Delphi, which was delivered on time and on budget.

Strategic priorities

Euromoney's overall strategy remains the building of a robust and tightly-focused global online B2B information business with an emphasis on emerging markets.

Fostering innovation to deliver organic growth

Euromoney regards innovation as critical to the future success of the business and continues to invest in new products, services and technology to meet increasing digitally driven demand. For instance, in response to changes in regulation, Euromoney's Global Capital launched a new renminbi (RMB) data and news analysis service on all aspects of the internationalisation of the RMB market.

Euromoney Institutional Investor PLC

Key developments

- Development of Delphi platform for automating, storing and delivering content
- Acquisition of Mining Indaba

Maintaining rigorous and active portfolio management

There were two significant acquisitions in the year.

Euromoney acquired Infrastructure Journal for £13 million in October 2013. Infrastructure Journal has been successfully combined with Euromoney's Project Finance business to create a comprehensive online source of news, analysis and data for the international infrastructure market under a new brand, IJ Global. The Mining Indaba brand was acquired, as part of the £46 million Summit Professional Networks transaction, and operates the world's largest mining investment forum and Africa's largest mining event. Mining Indaba provides Euromoney with an excellent opportunity to expand its position in the commodities and mining investment markets.

"The Delphi platform has created opportunities for Euromoney through new product innovation and ever-increasing customer satisfaction."

Christopher Fordham, Managing Director

In November 2014, Euromoney announced plans to acquire a 15.5% equity stake in a new company incorporated to acquire Dealogic Holdings Plc. The investment will be funded through the disposal of Euromoney's interests in Capital DATA and Capital NET.

Driving international growth
Euromoney's main offices are in London, New York, Montreal and Hong Kong. More than a third of its revenues are derived from emerging markets, with customers in over 200 countries, which creates a highly diversified organisation by both geography and customer type.

Using technology to enable growth
Investment in technology was a particular emphasis in the year. Delphi, the new platform for authoring, storing and delivering content, is the largest internal investment in the company's history and is a significant long-term competitive development for the business. It is expected to improve the quality and relevance of existing subscription products as well as increase the speed to market of new digital information services.

The first products launched on the Delphi platform include a fully integrated online research service from BCA Research.

Euromoney's capital markets content was combined under a new Global Capital brand to create an international news and data service on a single, device-neutral platform.

Euromoney is also developing Investor Intelligence Network, a private online network connecting buyers, sellers and intermediaries in asset management worldwide. It gives investors sophisticated tools to deploy capital.

Attracting and developing entrepreneurial talent
The Capital Appreciation Plan (CAP) is Euromoney's long-term incentive scheme designed to retain and reward profit growth and is an integral part of the delivery of Euromoney's successful growth strategy. At the AGM in January 2014, shareholders approved the introduction of the new 2014 CAP.

A series of training initiatives have been started to improve digital capabilities across key functions including content creation, technology and sales and marketing. The programmes are aimed at increasing the skills base of the Company to give further momentum to Euromoney's growth strategy.

Risks
Euromoney holds and publishes large quantities of information and data including customer, employee and commercial data. The integrity, availability and security of this information is key to the continued success of the business.

The investment banking sector, particularly fixed income, accounts for roughly half of Euromoney's revenues. Challenging market conditions have shown few signs of improvement and increased regulatory pressure on investment banks continues to affect trading.

The emergence of new, sometimes disruptive technologies and the proliferation of social media is changing how customers access and use Euromoney's products and services. A failure to respond to these changes and migrate the publishing businesses from traditional print media to interactive, searchable, online products, and to keep pace with developments in the delivery of events and training, could impact on the value of the Group's products and services.

Other risks relating to Euromoney include published content risk, portfolio management and compliance risk.

Priorities in the year ahead
Euromoney will continue to pursue its strategy to accelerate various growth opportunities. The exploitation and roll-out of the Delphi platform to boost organic growth will be a priority in the year.

Euromoney expects to use its financial strength to fund further acquisitions. To complement the established and more mature assets in the portfolio, Euromoney is increasingly looking at earlier stage businesses to invest in where opportunities are more extensive.

Outlook
The pressures on the investment banking sector, which accounts for nearly half of Euromoney's revenues, show no real sign of easing. Euromoney's businesses serving the asset management sector have seen conditions improve during 2014 and are positioned for further growth over the coming year.

Delphi and BCA Research

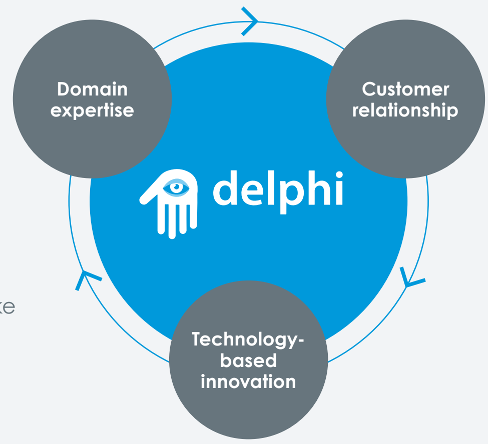
Delphi is Euromoney's group-wide content platform to allow its businesses to enhance product value and generate cost efficiencies.

BCA Research was one of the first businesses to adopt Delphi, opening up the business to new possibilities:

1) Customers are now able to search and interrogate content across geographies and asset classes, instantly and online.

2) Intuitive, easy-to-use interfaces make it possible for users to access and customise data from multiple sources.

3) BCA is delivering the full potential of its information and insight, keeping it relevant and vital to its customers.



DMG MEDIA

dmg media's transformation to a focused portfolio of businesses delivering high quality, popular content to a scaled audience is well advanced.

Business review	2014 £m	2013 £m	Movement %	Underlying %
Revenue	**796**	793	+0%	+0%
Operating profit*	**95**	80	+19%	+28%
Operating margin*	**12%**	10%		

* Before exceptional items, impairment of goodwill and intangible assets and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 81, segment analysis in Note 3 to the Accounts and the reconciliation in Note 13 to the Accounts.

dmg media remains close to its customers through delivering highly valued content with a platform-agnostic approach, a model which is increasingly flexible in the fast-moving consumer market.

Business model

dmg media's portfolio of print and digital consumer media businesses includes two of the UK's most read paid-for newspapers, Daily Mail and The Mail on Sunday, and the world's most visited English language newspaper website, MailOnline. The Mail brand is the number one newspaper brand in the UK and has achieved scale in other geographic markets, including the US. The portfolio also includes Metro, one of the world's biggest free newspapers and Wowcher, one of the UK's largest online vouchering websites. Revenues are generated from advertising and circulation, with an increasing proportion from digital revenue streams. The newspaper businesses continue to generate the significant proportion of profits whilst the digital businesses are driving dmg media's overall revenue growth.

Performance highlights

dmg media delivered a good performance. Revenues were £796 million, in line with the previous year on an underlying basis, reflecting a resilient newspaper performance and strong growth from both MailOnline and Wowcher. Operating profits were £95 million, an underlying increase of 28% with a margin of 12%. The increase in profitability was a result of stable revenues combined with significant cost efficiencies in the newspaper businesses.

The newspapers grew profits and improved operating margin with strong conversion to cash. The newspapers also strengthened their position in the market. Further investment was committed to the digital businesses to drive long-term growth, particularly at MailOnline.

dmg media's transformation to a focused portfolio of assets has involved further portfolio management activity, including the disposal of Evenbase. It also resulted in £20 million of exceptional restructuring costs in the year, notably resulting from reduced headcount in the newspaper businesses and central functions.

Mail titles

Advertising revenues from the Mail titles increased by 4% on an underlying basis to £252 million, with growth in digital revenue more than offsetting declines in print. MailOnline (including metro.co.uk) delivered £62 million of advertising revenues, an increase of 46% compared to the previous year. The decline in print advertising revenues of 5% to £190 million reflects the continuing growth in competition for advertising budgets from other media, particularly digital.

Daily Mail and The Mail on Sunday increased their average share of the UK national newspaper market for the year to 22.5% and 21.3% respectively. Total circulation revenues were £326 million, an underlying decline of 4%. Mail Plus, the paid-for online version of Daily Mail and The Mail on Sunday, continued to develop its product and interactive capabilities and had 46,000 subscribers by the year end.

MailOnline grew its global audience to 185 million monthly unique browsers and 11.8 million average daily unique browsers in September 2014. The average number of monthly unique browsers during the year increased by 41% compared to the prior year and the average daily unique browsers increased by 38%.

dmg::media

Daily Mail | The Mail on Sunday | MailOnline | METRO | wowcher

Key developments

- Investment in MailOnline, in particular international expansion
- Delivery of cost efficiencies in the Mail Newspapers
- Completion of sale of Evenbase (October 2014)

MailOnline continues to focus on increasing the size and engagement level of its global audience and, in particular, its US audience. There were 63 million monthly unique US browsers and 3.2 million average daily unique US browsers in September 2014, with average growth during the whole year of 45% and 42% respectively.

Metro

Metro, the free morning newspaper targeting urban commuters, remains the UK's third largest daily and one of the world's biggest free newspapers. It achieved revenues of £75 million in the year, a decline of 3%.

"The strength and trust inherent in the Mail brand provides long-term opportunities for dmg media through both print and digital formats."

Kevin Beatty, Chief Executive

Wowcher
Wowcher, the daily deals and online discounts business, delivered substantial growth with revenues increasing by 73% to £24 million. With a database of 5.95 million subscribers, it is extending its product offering to drive future growth. Wowcher broke even in the second half of 2014 and expects to be profitable during FY 2015.

Evenbase
The Evenbase businesses, which were disposed of in 2014, contributed revenues of £53 million, with operating profits of £15 million.

Strategic priorities

The business remains focused on maintaining the profitability of the newspapers whilst generating revenue growth through its digital businesses. dmg media continues to innovate with content, product and distribution initiatives to develop a scalable global audience, whilst remaining committed to the highest editorial standards.

Fostering innovation to deliver organic growth
MailOnline continued to develop its content and product offering, including Fashion Finder, Chatterbox, (the eCommerce and advertising initiative), enhanced video content and an increasing focus on mobile applications. Metro's digital operation, metro.co.uk, was transferred into MailOnline to drive synergies and maximise revenue opportunities whilst delivering a differentiated content proposition for a younger audience.

The Mail titles' marketing strategy combines effective content-driven promotions utilising the Mail Rewards Club database to generate customer information across the network. The MyMail portal was launched in October 2014, with consumers able to view content, earn points and carry out eCommerce transactions. The Mail Travel platform was also relaunched in September 2014 with encouraging early results.

Maintaining rigorous and active portfolio management
The sale of Jobsite in October 2014 was the final step in the disposal of Evenbase, following the sale of Jobrapido, OilCareers and Broadbean earlier in the year. The sale completed dmg media's exit from the digital recruitment market, enabling it to focus on the core Mail businesses.

Total proceeds were £152 million including £92 million in October 2014. The decision to exit the digital recruitment market reflects the commitment to active portfolio management.

Driving international growth
MailOnline has continued its pursuit of international growth with investment and expansion in the US, Canada and Australia. Nearly 20% of MailOnline's revenue was generated in the US in the year, with revenues more than doubling on the previous year. It now employs over 160 people in the North American region, where both editorial and commercial teams have been strengthened in order to drive audience and revenue growth. In January 2014, MailOnline launched an Australian joint venture with Mi9, part of the Nine Entertainment Co, with the partnership contributing improved advertising relationships and video content.

Attracting and developing entrepreneurial talent
Talent remained a key priority in the year. The programme aimed to ensure that the right skills, experience and structure are in place to implement the exciting future of the business.

dmg media made a number of key strategic hires, particularly in digital activities, reflecting the developing nature of the business. This included investment in critical support functions such as Technology, Finance and Human Resources, which are seen as key enabling services to future success. The Graduate scheme focused on recruiting specifically into a Business Analysis Graduate programme to develop dmg media's analytical capabilities.

dmg media received a variety of industry awards for editorial excellence as well as media and advertising campaigns.

Risks

The principal risks to dmg media relate to the successful execution of the MailOnline growth strategy and continued changes in the national newspaper market leading to an acceleration in any ongoing decline of circulation and advertising revenues.

MailOnline continues to grow a significant global audience. The MailOnline management team is currently focused on growing advertising revenue in the UK, US, Australia and across the rest of the world. The successful delivery of this growth requires investment and carries a degree of uncertainty.

As digital media markets have grown, the newspaper market has declined. Our print titles have consistently outperformed the market, successfully managing the decline in print revenue and restructuring their cost bases, to deliver robust profits. Our industry continues to face these challenges which present both ongoing risks, and also opportunities.

Other risks faced by individual businesses include the failure of key newspaper industry-specific suppliers, information security, data protection, cyber risk and the retention and recruitment of high-quality staff.

Priorities in the year ahead

The benefits of the portfolio changes, the reductions in costs and the investment in initiatives to drive growth, will help dmg media continue to perform well. While downward pressure on newspaper advertising and circulation is likely to continue, growth in digital revenues and the benefits of a more efficient cost base are expected to mitigate the impact on profitability.

Outlook

Investment in our growth businesses will continue, particularly at MailOnline where the long-term opportunities and potential returns are attractive.

Underlying revenues are expected to be stable with operating margins to be around 12%, in line with last year.

FINANCIAL REVIEW

The Financial Review highlights DMGT's encouraging performance in the year, which saw growth in revenues, profits and earnings per share, and a balanced allocation of capital.

Key financial highlights*

Underlying revenue	Underlying operating profit	Operating margin	Adjusted PBT
+5%	**+15%**	**17%**	**+9%**
2013: +2%	2013: +6%	2013: 17%	2013: +10%

EPS	Dividend	Dividend increase	Net debt/EBITDA ratio
+12%	**20.4p**	**+6%**	**1.5x**
2013: +7%	2013: 19.2p	2013: +7%	2013: 1.5x

In this report, underlying revenue or profit* is revenue or profit on a like-for-like basis, adjusted for constant exchange rates, disposals, closures and non-annual events occurring in the current and prior year and acquisitions. For dmg information, underlying growth includes the year-on-year organic growth from acquisitions and excludes ECCTIS, a Hobsons business, which was disposed of in January 2014. For dmg events, the comparisons are between events held in the year and the same events held the previous time other than ADIPEC, which became an annual event in November 2013 and which is compared to 50% of the revenues and profits of the biennial November 2012 event. For Euromoney, no adjustments are made for the timing of events but acquisitions are excluded completely and underlying profit excludes the benefit in both FY 2013 and FY 2014 of the historic acceleration of its CAP incentive plan charge. For dmg media, underlying comparisons exclude contract printing revenue, which ceased last year, the central and eastern European businesses, which were disposed of last year, Villarenters, Metro Play, OilCareers, Broadbean and Jobrapido, which were disposed of this year, and distribution services, which ceased earlier this year. dmg media's underlying revenues only include the profit but not the gross-up, equivalent to the cost of sales, from low margin newsprint resale activities. The disposal of Jobsite, formerly part of dmg media's Evenbase portfolio, completed in October 2014 and the business is still included in the underlying figures. Northcliffe Media is excluded from the DMGT Group underlying comparisons.

* Unless otherwise stated, all profit and profit margin figures in this Financial Review refer to adjusted results and not statutory results. Adjusted results are stated before exceptional items, other gains and losses, impairment of goodwill and intangible assets, pension finance charges, premiums on bond redemptions and amortisation of intangible assets arising on business combinations. For a reconciliation of Group profit to adjusted Group profit, see Note 13.

Performance highlights

Adjusted profit before tax rose by 9% to £291 million reflecting a 4% rise in operating profit, an increased contribution from joint ventures and associates and a reduced net finance charge. The recommended full-year dividend increased by 6%. The review shows the balanced nature of DMGT's portfolio of businesses by revenue type, sector and geography and emphasises the rising contribution to revenues from digital operations.

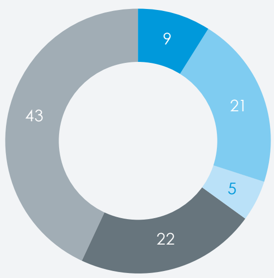
RMS

This Financial Review would not be complete without some comment on RMS, given the level of attention that it has, quite rightly, received from the investment community over the past year. RMS's profit margin in the year fell to 26%, compared to 32% the previous year, due to incremental costs associated with RMS(one), notably data centre costs.

Over the past four years we have been capitalising the software development costs of RMS(one) and as at the end of the year these amounted to £86 million and were carried on the balance sheet.

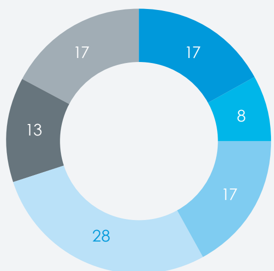
Revenue profile

By business (%)



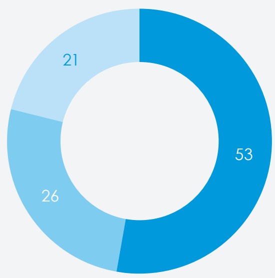
RMS	9%
dmg information	21%
dmg events	5%
Euromoney	22%
dmg media	43%

By type (%)



Print advertising	17%
Digital advertising	8%
Circulation	17%
Subscriptions	28%
Events, conferences and training	13%
Transactions and other	17%

By destination (%)



UK	53%
North America	26%
Rest of the World	21%

"DMGT aims to deliver sustained long-term profitable growth and understands the importance of reinvesting in the business."

Stephen Daintith, Finance Director

Business performance

	Revenues				Operating profit*			
	FY 2014	FY 2013	Growth		FY 2014	FY 2013	Growth	
	£m	£m	Reported	Underlying	£m	£m	Reported	Underlying
RMS	**172**	175	-2%	**+4%**	**45**	57	-20%	**-12%**
dmg information	**391**	293	+34%	**+12%**	**68**	58	+17%	**+26%**
dmg events	**100**	87	+15%	**+21%**	**27**	21	+28%	**+29%**
Euromoney	**407**	405	+0%	**+3%**	**117**	119	-1%	**+4%**
dmg media	**796**	793	+0%	**+0%**	**95**	80	+19%	**+28%**
Northcliffe media	**–**	49	-100%	**–**	**–**	7	-100%	**–**
Corporate costs	**–**	–	–	**–**	**(43)**	(43)	+0%	**+0%**
DMGT	**1,864**	1,802	+3%	**+5%**	**311**	300	+4%	**+15%**

All figures are rounded to the nearest million pounds, consequently not all totals equal the sum of the component integers.

Following a review of the appropriateness and justification of this carrying value, the decision was taken to impair £45 million of the cumulative software development spend, resulting in the carrying value of the RMS(one) asset being reduced from £86 million to £41 million. This resulted from revisions to the timing of RMS(one) releases, following the delay of its launch, and anticipated phasing of client adoption. In addition to this impairment, which is treated as an exceptional item, the business incurred £4 million of further exceptional costs associated with a reduction in headcount, following a change in the approach to the development of RMS(one).

As a result of the changed approach, capitalised RMS(one) development costs in the coming year will be materially lower than the £36 million capitalised in FY 2014. The reduced capitalisation of expenditure, combined with committed increases in data centre costs, is expected to result in RMS's overall operating profit margin being around 10% to 15% in financial year 2015. Given the delay in the launch of RMS(one), significant revenues and amortisation costs are not expected to commence until FY 2016.

Revenue performance

Group revenues in the financial year increased by 5% on an underlying basis. On a reported basis, revenues rose by 3% and were adversely impacted by the strength of the British pound relative to the US dollar, an average exchange rate of £1:$1.66 compared to £1:$1.56 in the prior year. Reported revenues benefited from acquisitions made during the year, the impact of which outweighed that of revenues lost with disposals.

There was good underlying growth in several revenue categories, particularly events and digital advertising, which was partly offset by the revenue decline in print advertising and circulation.

Revenues from B2B businesses, comprising RMS, dmg information, dmg events and Euromoney Institutional Investor (Euromoney), were £1,069 million, an underlying increase of 8%.

RMS grew underlying revenues by 4% to £172 million. The core modelling business saw continuing good demand for its subscription services and overall renewal rates remained in excess of 95%. RMS continued the development of RMS(one) during the year and incremental releases to Joint Development Partners are expected in 2015 though significant revenues are not expected until FY 2016.

dmg information's revenues increased by an underlying 12% to £391 million in the year, buoyed by improving conditions in the UK property market and continued good growth in its education and energy businesses. Reported revenue growth of 34% reflects the impact of acquisitions made during the year.

dmg events' revenues of £100 million grew by an underlying 21%, with the successful transition of the ADIPEC event from a biennial to annual cycle and good growth from the Gastech event.

Euromoney's revenues increased by 3% on an underlying basis to £407 million, though reported revenues were stable reflecting the strengthening of the British pound. Solid growth in subscriptions and events was offset by continuing weakness in advertising revenues.

Revenues from the consumer business, dmg media, were £796 million, stable on an underlying basis. Growth in the digital businesses, largely MailOnline, offset the impact of declining print advertising and circulation revenues.

The charts on page 26 demonstrate DMGT's diverse revenue profile.

Operating profit performance

In the financial year, operating profit of £311 million was up by 15% on an underlying basis and by 4% on a reported basis. The overall operating margin remained at 17%, reflecting strong growth at dmg media, which improved its margin from 10% to 12%, and dmg events, offset by reduced margins at RMS and dmg information.

The Group's B2B operations increased overall profit by an underlying 8% to £258 million, whilst the profit from consumer media was £95 million, an underlying increase of 28%.

The Group's B2B operations generated 75% of operating profit and 25% was from consumer media. The profit split includes corporate costs allocated on a revenue basis. Well over half of our profits came from outside the UK.

Financing costs

Adjusted net finance costs, including investment income, decreased by £4 million to £51 million. Net interest payable and similar charges declined by 10%, benefiting from the redemption of bonds in December 2013. There was negligible investment income in the year whereas the prior year included a £2 million dividend from the Press Association. Following its disposal of MeteoGroup,

FINANCIAL REVIEW CONTINUED

the Press Association paid a dividend of £9 million during the year but, given the reason for the dividend, it has been excluded from adjusted results.

The pension finance charge, which is excluded from adjusted results, was £8 million for the year compared to £13 million for the prior year. The prior year was restated from £15 million of finance income following the revision to International Accounting Standard 19 – Employee Benefits [IAS 19 (Revised)].

Exceptional finance costs included a £24 million charge for the premium on the early redemption, in December 2013, of £56 million of 10.0% Bonds, due 2021, and £50 million of 5.75% Bonds, due 2018.

Joint ventures and associates

DMGT's share of the adjusted operating profit of joint ventures and associates increased from £22 million to £31 million, reflecting a £17 million contribution from the Zoopla Property Group Plc, in which DMGT holds a c. 32% stake, and £15 million from Local World, which continued to improve its operating margin. The contribution from other joint ventures and associates was negligible. Xceligent, which is in its investment phase, changed from being an associate to a subsidiary of dmg information in October 2013.

Results before taxation

Adjusted profit before tax rose by 9% to £291 million. The statutory pre-tax profit for the financial year was £267 million compared to £179 million in the prior year.

Taxation

The adjusted tax charge of £59 million (2013 £49 million) is stated after adjusting for the effect of exceptional items. The adjusted tax rate increased from 18.3% to 20.1% for the year, primarily due to a reduced impact on the rate from tax-efficient financing and tax deductible amortisation in the US. The effective tax rate is expected to increase to around 22% over the next three years.

Profit after tax

Adjusted Group profit after tax and minority interests increased by 10% to £207 million. Statutory post-tax profit was £283 million, compared with £188 million in the prior year.

Earnings per share

Adjusted basic earnings per share increased by 12% to 55.7 pence, compared with 49.9 pence in the prior year. The weighted average number of shares in issue during the year was 372.4 million, down from 377.5 million in the previous year, as a result of the share buy-back programmes announced in November 2012 and September 2014.

Exceptional items and amortisation

Exceptional operating costs were £72 million in the year, compared to £49 million in the prior year. These included £27 million of cash items, compared to £28 million in the prior year. There were £20 million of restructuring costs at dmg media, with the reduced headcount in its newspaper businesses and central functions reflecting the considerably more focused portfolio of businesses it has become. RMS incurred £4 million of restructuring costs and a £45 million impairment of the RMS(one) software.

The charge for amortisation of intangible assets arising on business combinations increased by £4 million to £44 million. The Group also made an impairment charge against goodwill and acquired intangible assets of £20 million, including £15 million in respect of dmg media's Jobrapido business prior to its disposal.

The Group recorded other net gains on disposal of businesses and investments of £179 million, compared to a net gain of £61 million last year. The gains primarily related to the IPO of Zoopla Property Group Plc and dmg media's online recruitment businesses, OilCareers and Broadbean.

Capital allocation

The Group's senior management continues to believe that the creation of shareholder value over the long term requires a balanced and flexible approach to investing in growth and returning excess capital to shareholders. DMGT benefits from the cash generative nature of the businesses, proceeds from disposals and scope for increasing the level of debt. When allocating capital we prioritise organic investment, targeting at least 5% of revenues each year, followed by targeted acquisitions, sustained real dividend growth, funding the Group's pension schemes whilst they have an actuarial deficit, share buy-backs and, given the relatively high coupons on the Group's existing bond debt, bond buy-backs.

Cash flow and net debt

Net debt has increased by £30 million to £603 million, and is down from £793 million at the half year, reflecting seasonal cash flows and disposal proceeds.

The Group generated operating cash flow of £243 million, a conversion rate of 78% of operating profits. The conversion rate was adversely impacted by increased capital expenditure, notably product development at dmg information, and increased working capital due to reduced trade payables. There were net interest payments of £53 million in the period and £82 million was spent on the DMGT share buy-back programmes, including £40 million in respect of future payments under incentive plans. Active portfolio management

Statutory and adjusted profit reconciliation

£ millions	Statutory profit	Discontinued operations	Impairment and amortisation[1]	Exceptional items[2]	Adjusting items[3]	Adjusted profit
Operating profit	**184**	**15**	**40**	**72**		**311**
Joint ventures and associates	14		7	5	6	31
Other gains and losses	139				(139)	–
Net finance costs	(70)				19	(51)
Profit before tax	**267**	**15**	**47**	**77**	**(114)**	**291**
Tax	(18)	(3)	(5)	(24)	(8)	(59)
Discontinued operations	34	(11)	17		(40)	–
Profit after tax	**283**	**–**	**58**	**53**	**(162)**	**233**
Non-controlling interests	(20)		(6)	1		(25)
Attributable to owners of the company	**263**	**–**	**53**	**54**	**(162)**	**207**

1. Impairment of goodwill and impairment and amortisation of intangible assets arising on business combinations.
2. Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property.
3. Adjusting items include other gains and losses, premiums on bond redemptions, dividend income and tax on joint ventures and associates.
All figures are rounded to the nearest million pounds, consequently not all totals equal the sum of the component integers.

continued throughout the year with acquisitions totalling £174 million and disposals proceeds totalling £253 million.

Notable acquisitions included DIIG (known as SearchFlow), Infrastructure Journal, Energytics and the trade and certain assets of the Mining Investment Events Division of Summit Professional Networks (Mining Indaba). Disposals included assets within the Evenbase portfolio, namely OilCareers, Broadbean and Jobrapido. The disposal of Jobsite completed in October 2014 for £92 million. DMGT reduced its stake in the Zoopla Property Group Plc, through an IPO in June 2014, from 52% to 32% and received £180 million in proceeds.

DMGT's principal net debt remains in long-term bonds. Following £106 million of bond buy-backs in December 2013, at the year end the Group had £569 million of bonds with £264 million of December 2018, £108 million of April 2021 and £196 million of June 2027 bonds. The Group also held £63 million of other debt and £29 million of cash.

Bank facilities were increased by £239 million, in March and October 2014, to £539 million and, following £149 million of bond buy-backs in October 2014, bond debt now constitutes less than half of the debt available to DMGT. At the year end the bank facilities were £489 million, of which £430 million was unutilised.

DMGT's ratio of year-end net debt to adjusted profits before interest, depreciation and, amortisation (EBITDA) was 1.5 times, well below the Group's preferred upper limit of 2.0 times. DMGT regained its investment grade corporate credit rating from Standard & Poor's in March 2014 and is now rated as BBB-.

Treasury and currency

DMGT maintains sufficient liquidity to meet its operational requirements and to maintain adequate capital cash flows. Financial instruments, including derivatives, are used by DMGT in order to manage the principal financial risks that arise in the course of business. These risks are liquidity or funding risks, foreign exchange risk, interest rate risks and counterparty risks. The instruments are used within the parameters set by the Investment and Finance Committee and approved by the Board. The Group's priority is to address the economic impact of financial risks using the most efficient or appropriate approach.

Pensions

The Group's defined benefit pension schemes provide retirement benefits for UK staff, largely in dmg media. These schemes are closed to new entrants. The net deficit in the defined benefit schemes increased from £208 million at the beginning of the year to £212 million at the financial year end (calculated in accordance with IAS 19 (Revised)). Funding payments into the main schemes during the year were £50 million, including the £13 million final instalment in respect of the disposal of Northcliffe Media. In February 2014, the Group and Trustees agreed a revised funding plan accruing to the main schemes through to 2026, totalling c. £34 million p.a. to 2020, £28 million p.a. to 2022 and then £23 million p.a. thereafter. In addition, a contribution equal to 20% of any share buy-backs will be contributed to the schemes, albeit this will be offset by up to £5 million of agreed funding contributions each year. Contributions will be discontinued should the schemes' actuary agree the schemes are no longer in deficit, with the next formal actuarial valuation scheduled for 31 March 2016.

There has been no significant change in the allocation of the schemes' investments, broadly 75% risk-seeking and 25% non risk-seeking. All new UK employees are now offered defined contribution pension plans. These plans are used to fulfil the Group's obligations under auto-enrolment.

In June 2014 Kevin Abbott was appointed Chairman of the Trustees. Kevin is also Chairman of the Trustees of Barclays Bank's pension schemes. Kevin replaced Charles Wood who had served as Chairman for seven years, a period that included five actuarial valuations. DMGT would like to thank Charles for being an excellent steward of the members' interests.

Capital risk management

The Group's strategy for capital risk management is set out in Note 33 to the Accounts.

Share buy-back

DMGT announced a £100 million share buy-back programme in November 2012 and, having acquired £69 million of shares in the prior year, the programme was completed on 4 September 2014 with £31 million of share purchases in the period. On 17 September 2014, DMGT announced a further £100 million share buy-back programme, reflecting the confidence of the Board in the growth prospects of DMGT.

Dividends

The dividend policy is to grow dividends by between 5% and 7% p.a, in real terms, over the long term. The recommended final dividend is 14.2 pence which, if approved, would make the total dividend for the year 20.4 pence, an increase of 6% on the prior year.

To maintain this performance, the Board and management undertake to:

- **generate underlying revenue growth over the course of the business cycle;**
- **increase Group adjusted profit before tax;**
- **maintain healthy double-digit operating margins;**
- **prudently manage net debt;**
- **seek sustained earnings per share growth; and**
- **maintain dividend growth in real terms.**

Financial KPIs

As part of how we measure success against our strategic priorities, we have a number of KPIs which are designed to provide key measures of performance that are most relevant to the Group. These are detailed on pages 14 and 15. DMGT and its businesses adopted the financial KPIs to ensure that the Group delivers continued good organic growth; remains highly cash generative; reinvests strong cash flow in active portfolio management; and offers real dividend growth.

DMGT aims to deliver sustained long-term profitable growth and understands the importance of reinvesting in the businesses to support product innovation and the effective use of technology. The amount spent on organic investment initiatives in the year was 7% of revenues. DMGT's success in generating profits across its B2B and Consumer operations has enabled the Group to make progress against its financial KPIs. DMGT remains committed to increasing the proportion of revenues from digital businesses, from outside the UK and from subscription businesses.

Summary

DMGT delivered record adjusted profit before tax in the year, despite currency headwinds. The performance in 2015 will be adversely impacted by investment in RMS(one), the timing of events and the disposal of Evenbase. Our strong cash flow and flexible capital allocation, along with the ability to invest in organic initiatives and acquire businesses, both bolt-on acquisitions and in new sectors, should further help DMGT to meet its financial objectives over the long term.

Stephen Daintith
Finance Director

MEASURING OUR RISKS

Our strategic priorities

- Fostering innovation to deliver organic growth
- Maintaining rigorous and active portfolio management
- Driving international growth
- Using technology to enable growth
- Attracting and developing entrepreneurial talent

Strategic risks

Description	Impact and likelihood	Strategic priority	Mitigation	Change in outlook at year end 2014
Market disruption Caused by: • New technologies and products e.g. mobile, tablet, cloud and big data. • Globalisation of markets. • Freely available information and content. • Changing behaviours and demands of customers e.g. millennials, online adoption, digital vs. print, software vs. platform and social media usage. • Competitor innovation.	• Market disruption creates opportunities as well as threats. • As a risk, it affects many businesses in the Group, most notably the newspapers. • Results in falling revenue, margins, or the need for significant investment to innovate products in order to keep pace with changes in customer demand, competitors and changing behaviours. • As an opportunity, disruption enables us to move into new markets and geographies and develop new products and businesses. • The pace of change across all our markets has accelerated in recent years. DMGT businesses are likely to face disruption to their markets every year, however a major market disruption is only expected to occur every five to 10 years.		• The Group's diverse portfolio of businesses and products reduces the overall Group impact. • The Board regularly reviews the strategy against developments. • The Leadership Team monitors markets, the competitive landscape and technological developments. • The autonomous culture of the Group encourages an entrepreneurial approach to the development of organic growth opportunities and new products.	This risk in our diversified Group has remained relatively stable during FY 2014.
Management of portfolio and allocation of capital • Acquisitions fail to yield expected value. • Failure to identify trends in the market and identify appropriate acquisition targets at the right price. • Failure to identify or successfully develop organic growth opportunities, for example MailOnline. • Failure to dispose of non-core businesses at the right time.	• Underperformance of the Group and/or impairment losses. • Growth opportunities and potential synergies lost by failure to identify acquisition targets. • Diversion of management time from other operational matters to manage underperforming acquisitions. • The Group completes multiple small acquisitions every year, some may not perform as expected. Larger acquisitions are rarer.		• Adherence to our investment criteria and approval by the Investment and Finance Committee. • Acquisitions in related markets with a high potential for growth. • Performance of detailed due diligence. • Retention of key employees in the acquired businesses. • Board level monitoring is performed post-acquisition. • Disposals overseen by the Board and the Strategy Development Director.	The external environment and rate of acquisitions remains stable, as a result the risk is unchanged.
New product launches and developments do not yield expected returns • The Group is constantly developing and launching innovative new products, services and events, including enhancements to existing offerings. • This is a key driver of growth for the Group. • The most significant in recent years has been the development of RMS(one).	• New products and services may not perform as expected, resulting in revenue and operating profits that are below expectations as well as potential impairment losses. • With a high number of launches every year, it is likely that some will not perform as expected, however it is rare for a single product launch to represent a major investment.		• Adherence to our investment criteria and approval by the Investment and Finance Committee. • Board or specific oversight committee monitoring for significant investments. • Product management workshop held in October 2014.	The most significant product launch next year will be the staged incremental RMS(one) deliverables and, having experienced delays in FY 2014, the risk has increased.

Understanding the risks and, just as importantly, the opportunities that impact DMGT's businesses is vital. Effective risk and opportunity management saves time and money, and gives assurance to management, the DMGT executive team, Risk Committee and the Board.

The Group's risks are categorised as either strategic or operational. Strategic risks are linked to the Group's strategic priorities and impact the whole Group. Operational risks are those arising from the execution of the business functions and typically impact on one or more of the operating businesses. Further details of the Group's risk management process, the governance structure surrounding risk and the Risk Committee can be found in the Governance Report on page 44.

Strategic risks

Description	Impact and likelihood	Strategic priority	Mitigation	Change in outlook at year end 2014
Securing and retaining the right people for senior and business critical roles • The inability to recruit and retain talented people could impact the Group's ability to maintain its performance and deliver growth. • Key skills affected by this risk are: – Leadership; – Entrepreneurship; and – Technology and software development.	• Securing and retaining the best people in key roles is one of the main drivers of business performance and growth. • The inability to find and recruit the best people therefore impacts DMGT's operating businesses. • When key staff leave or retire, knowledge, experience or competitive advantage may be lost if succession plans are inadequate. • At any one time the Group has unfilled vacancies for key roles, however only a small number of roles are deemed to be business critical. A significant impact from loss of key talent would therefore rarely occur.		• Formal approach to talent management and succession management, coordinated centrally by DMGT. • Investment in DMGT Leadership Development Programme and related programmes. • Payment of competitive rewards. • Alignment of staff incentives and Group Strategy. • Staff performance and turnover monitoring. • Succession and retention planning. • Staff communication.	↑ The risk has increased in RMS as a result of the delay to RMS(one) but remains stable across the rest of the Group.
Economic downturn • UK national newspaper advertising revenue is impacted by fluctuations in the wider economy. • Euromoney is affected by the investment banking sector, especially fixed income. • Property and financial markets in the UK and US are similarly affected. • Lack of growth in other key markets.	• A downturn in any of DMGT's key markets, including advertising, will impact revenue. • If cost savings cannot be made to offset falling revenue, profit will also fall. • The likelihood of future impact is dependent on external market and macroeconomic factors.		• Diversifying into business information and subscription revenue streams. • Investment in strong brands. • Cross geography and sector approach.	↓ The portfolio effect reduces the impact of individual markets, however recent growth in the US economy reduces the outlook for this risk.
US dollar earnings • A significant portion of Group profits arise in US dollars. • The Group's functional currency is the British pound. • The strength of the British pound compared to the US dollar directly impacts earnings reported in British pounds. See Note 33 for more information.	• The pound has strengthened against the dollar over FY 2014 but began to weaken towards the end of the year. • The impact in the future is dependent on global economic factors and the proportion of earnings arising in US dollars.		• The Investment and Finance Committee approve Group Treasury Policies. • Debt is held in proportion to currency of earnings as far as possible.	→ The mix of US dollar to British pound earnings is largely unchanged in FY 2014, hence the risk remains stable.

MEASURING OUR RISKS CONTINUED

Operational risks

Description	Impact and likelihood	Divisions most affected	Mitigation	Change in outlook at year end 2014
Failure or significant delay to a major change project • The Group undertakes change projects every year. • The most significant current project is RMS(one). • The planned April 2014 launch of RMS(one) was delayed and will now be made available through staged incremental deliverables during FY 2015.	• Increased costs, impairment losses and delayed or lower revenues can result from a failure of, or delay to, a major project. • This risk has been emphasised through the delay of RMS(one). • A further delay to RMS(one) could have a significant impact on DMGT's share price, increase the likelihood of further write offs; lower adoption rates and reduce future revenues.	RMS	• Approval by the Investment and Finance Committee for significant projects. • Rigorous planning process. • Ongoing project management. • Monitoring by the local board. • Independent third-party assessments and reporting to the local board for significant projects. • Significant projects are reviewed by the Risk Committee.	↑ RMS(one) remains the largest project currently under way.
Information security breach or cyberattack • Loss of confidential, personal or payment card information. • Challenge to the integrity of a DMGT product. • Unavailability of online products.	• An information security breach would cause reputational damage and loss of customer confidence, and is likely to result in loss of revenue. • Significant management time and cost would be needed to investigate and manage the incident. • The risk is relevant to all businesses in the Group, especially Hobsons, MailOnline, RMS and Euromoney. • Attacks on Group websites and networks are frequent though rarely successful.	All	• Group information security policy and detailed security standards. • Group policy on business continuity planning including IT system disaster recovery. • Oversight by the Risk Committee, CTO Council and Information Security Committee. • Regular reviews by Risk & Assurance. • Security is reviewed as part of every internal audit.	→ The inherent risk is increasing, though this is reduced by improving security controls. As a result the net risk is considered unchanged from the prior year.
Reliance on third parties – key commercial relationships Key third parties include: • Data centre and cloud software and service providers. • IT development support and design of RMS(one). • Data providers. • Event venues. • Newsprint suppliers. • Newspaper distribution and wholesale.	• An operational or financial failure of a key supplier could affect the ability of DMGT to deliver products, services or events with a direct impact on financial results and management time. • DMGT businesses are making greater use of third parties, especially for software development and cloud storage solutions, which results in an increasing exposure. • RMS is now increasingly reliant on key third parties for a significant portion of the RMS(one) project.	RMS, dmg media	• Concentrations of risk are monitored at Group level. • Significant time dedicated to managing relationships. • Operational and financial due diligence is undertaken for key suppliers. • Where possible, long-term arrangements are agreed with suppliers to limit the potential for volatility. • Newsprint requirements are managed by a dedicated team.	↑ Reliance on third parties for aspects of the RMS(one) project increases the risk in the short term.

Operational risks

Description	Impact and likelihood	Divisions most affected	Mitigation	Change in outlook at year end 2014
Data regulation • A number of DMGT businesses provide valuable proprietary information. • Increased regulation of information provision could impact existing DMGT products. • Complex data regulatory environment across multiple jurisdictions. • The new EU Data Privacy Regulation is expected in FY 2015.	• A change in the regulatory environment which forces DMGT to make proprietary information publicly available would have a significant impact on the business models and viability of some of our businesses. • Compliance with the requirements of the new Data Privacy regulations could result in increased costs. • Higher fines for data breach.	All	• Managed by operating business management with oversight from the DMGT Risk Committee. • Legal, Risk and Compliance Conference held in June 2014 which focused on data risks.	↑ The new EU Data Privacy Regulation and an increased level of focus on privacy and the digital society globally results in an increase in this risk.
Pension scheme deficit • The UK newspaper business operates defined benefit pension schemes. • Deficits in the schemes are ultimately funded by the sponsoring company. • Pension Fund Trustees control the investment allocation.	• Statutory earnings may be affected by funding requirements that result from pension deficits as a result of lower than expected investment returns or changes made to the risk profile of our investment portfolio. • Next triennial valuation will be undertaken in 2016.	DMGT	• The agreed funding plan gives certainty over the financial commitment for the next three years. • Triennial valuation completed in the year and new funding plan agreed.	↓ The agreement of the three-year funding plan reduces uncertainty in the short term.

OUR PEOPLE

One of our five strategic priorities is to secure the right people and engage them in pursuit of the mission of their business in accordance with our values and ambitions. They are encouraged to think creatively and be entrepreneurial, to deliver organic growth and ensure we are always at the forefront of technological development.

Peter Duffy
HR Director

We empower our people, not only to deliver the best for their business, but also to give back to the communities in which they live and work.

Training and development

We understand that to deliver and sustain the levels of performance we expect (see our Strategic Ambitions on page 11), we need to develop our employees and also provide them with the opportunities to grow and fulfil their potential.

Each of the operating businesses has in place a variety of education and training initiatives. We supplement these with key Group initiatives, an implicit objective of which is to build internal networks and to foster peer assistance and collaboration. Examples of these are:

- Leadership Development Programme (LDP): this is a comprehensive programme consisting of two week-long modules with a six-month period in between. It has been developed and delivered in partnership with The Moller Centre, Churchill College, The University of Cambridge. The programme allows the sharing of insights in critical leadership areas such as markets and competitive landscapes and advances in technology. There is particular emphasis on the development of coaching skills to unleash the talent within our people and to develop high-performance teams.
- Hackathon: in addition to those run locally by the businesses, DMGT organised an event for technologists and developers, delivered simultaneously in New York and London. Participants enjoyed insights from thought leaders and worked to develop various ideas and apps which could have commercial value.
- CR Champions network: these are individuals who have been recognised as championing CR initiatives at their businesses. They come together to share best practice, to communicate DMGT's CR campaigns and are recognised for their efforts. It also acts as a development opportunity as the individuals are offered exposure to divisional and Group Leadership Teams. Detailed profiles of our CR Champions can be found on our website www.dmgt.com/cr.

Communications/engaging with our people

Whilst preserving and respecting our decentralised approach, DMGT messages are cascaded through a variety of communication channels including a CEO blog from Martin Morgan; a Group intranet that displays Group policies, news stories, awards won and CR information; LinkedIn to connect DMGT's corporate profile with those of our businesses; and DMGT Daily, a daily digital newsletter containing news relating to the sectors in which our businesses operate as well as significant Group news and CR stories.

Culture

We expect our leaders to promote and share DMGT values. We appreciate that they understand and know what is best for their businesses, their people and their communities. We encourage and leverage the distinctiveness of our operating businesses whilst at the same time operating within an agreed framework of financial and other controls.

At Group level we have a small head office team, based in London, which provides the businesses with expertise and experience. We encourage synergies between our businesses and relationships between our people. In this way, we adopt an approach that shares best practice across our businesses and at the centre.

The strong sense of family heritage, coupled with DMGT's commitment to the long-term success of the Company, creates a unique working environment which reaches each and every one of our businesses (see Corporate Governance section on pages 41 to 50).

Group policies

We uphold equal opportunities and also do not discriminate. Our businesses are required to follow DMGT policies that safeguard the welfare of our employees. These include policies on equal opportunities, anti-bribery, our Code of Conduct, entertainment and gifts, information security and health and safety. We have an active and rolling training programme to reinforce compliance and to ensure there is a high level of awareness of our standards.

The table below sets out the gender breakdown of our employees which supports our aim to promote equality and diversity, we openly share these values through our Group Code of Conduct.

Human rights

We believe that our exposure to the associated risks in the context of Human Rights frameworks is minimal. DMGT does not have a specific HR policy but has a number of policies that cover areas such as Health and Safety, Bribery and Corruption and a questionnaire for evaluating if new suppliers are ethical and lawful.

Gender breakdown of our employees

	Men		Women	
	FY 2013	FY 2014	FY 2013	FY 2014
Number of Board Directors	13	**13**	2	**2**
Number of senior executives (excluding Board Directors)*	46	**43**	13	**11**
Number of Directors of subsidiary companies	–	**1,157**	–	**216**
Number of employees (excluding senior executives, Executive Board Directors and Directors of subsidiary companies)	5,599	**4,315**	3,747	**3,887**
Total	5,658	**5,528**	3,762	**4,116**
Percentage of total DMGT employees	60%	**57%**	40%	**43%**

* The senior executives total includes DMGT head office executives and CEOs of the Group's operating businesses and their direct reports. Number of Directors of subsidiary companies not collected in FY 2013.

CORPORATE RESPONSIBILITY REVIEW

ACTING RESPONSIBLY IN EVERYTHING WE DO

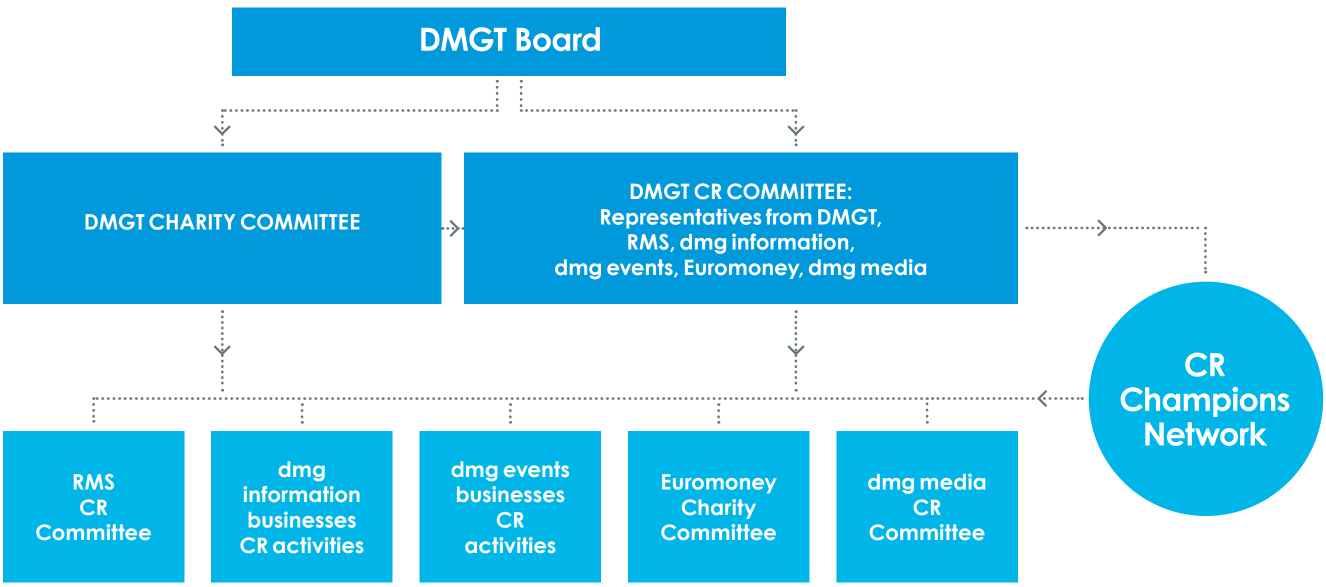
Claire Chapman
Chairman
Corporate Responsibility Committee

OUR APPROACH TO RESPONSIBILITY

DMGT is committed to sustainable, long-term performance. Managing our businesses and brands responsibly, valuing our stakeholders and respecting the communities we serve and our environment are essential for our success. We apply DMGT's Company values to our Corporate Responsibility (CR) activities and consider these in the decisions we make. We support, encourage and monitor these activities ensuring best practice is championed and shared.

We bring together companies that operate with integrity and with the shared purpose of empowering customers with current, relevant and vital news, information and insight. We encourage and support entrepreneurial behaviour and value people who are courageous, curious and stretch themselves but who also act with the best interests of all of our stakeholders.

CR Committee
Our commitment to CR is led by the Board. Day-to-day management of CR is delegated to the CR Committee, which defines and implements our CR agenda and activities. How the Committee operates is outlined in the Corporate Governance section on page 50. Each Operating Business is represented on the Committee. This enables us to evaluate risk exposure, monitor progress, share best practice and provide guidance across the Group.



CORPORATE RESPONSIBILITY REVIEW CONTINUED

Our approach

We focus on three areas in our approach to CR: environment; our stakeholders; and our people (see page 34).

Environment

Our most significant environmental impact comes from the printing plants in our consumer media businesses. The majority of our newspapers are now produced at plants designed to be as efficient as possible.

We are, and have for many years been, committed to comprehensive and transparent reporting of our environmental performance. We have collected CO_2 emissions data from each of our businesses. This data is collated and independently reviewed by the environmental consultancy, ICF International, which calculates our emissions following the Greenhouse Gas Protocol. The Group's carbon footprint can be seen in the table below. The reduction in the FY 2014 footprint is largely due to the closure of the Harmsworth Quays printing facility, and the move to a more energy efficient facility at Thurrock.

Our stakeholders

A deliberate part of our CR philosophy is that our businesses should play a huge part in their local communities and have a direct and immediate impact. We have a list of principles that donations adhere to. These are listed on our website (www.dmgt.com). These include that charities supported should be small organisations, that the donation is multi-year and that there is an employee sponsor representing them at DMGT. During the year the Group donated £1.2 million to charity. There are countless examples of how our employees have been involved in charitable initiatives. Indeed, too many to list in this report. However our website, www.dmgt.com/cr, lists many of these examples and is continuously updated.

In 2014, we continued the Community Champions Awards recognising and rewarding the good deeds of DMGT employees. The scheme gathered pace during the year with well over 100 nominations and a new Award category for environmental initiatives. The scheme is detailed at www.dmgt.com/cr with a video of the Awards ceremonies held in London, New York and San Francisco at www.youtube.com/user/dmgtplc.

Carbon footprint

The table below shows the evolution of our carbon footprint since 2007:

	Tonnes of CO_2e			tCO_2e/£million revenue*
Year	Scope 1: Combustion of fuel and operation of facilities	Scope 2: Electricity, heat, steam and cooling purchased for own use	Scope 3: Business travel and outsourced delivery	Total scope 1 & 2 emissions/revenue
2007	7,600	63,700	23,200	52.9
2008	7,600	62,900	22,200	49.3
2009	7,800	56,800	21,400	48.5
2010	7,100	51,300	21,400	46.9
2011	7,400	45,200	22,300	42.8
2012	7,400	43,100	24,900	43.2
2013	7,400	36,800	26,800	40.5
2014	4,500	33,800	26,600	34.8

* Emissions from Northcliffe have been removed for all years.
Note: The figures in this table are rounded, therefore the total may differ from the sum of the rounded subtotals.

Our people

How we focus on our people is detailed in the Our People section on page 34.

CR Champions case study

A network of nearly 30 individuals called CR Champions represent each and every one of our businesses and meet by conference call each quarter to discuss CR at a grassroots level.

The CR Champions share ideas, lessons learnt from CR initiatives they have carried out, and collaborate and share best practice. The discussions feed into the CR Committee.

The network is also designed to provide an opportunity for some of our most talented employees to develop their leadership skills.

To find out more about the CR Champions network go to www.dmgt.com/cr.

Here are a few of our CR Champions.

CR aims

The table below summarises the CR Committee's key activities in 2014 in the areas we focus on: the environment; our stakeholders; and our people. It shows the aims we set ourselves at the beginning of the year and how we have delivered against these. The table also details DMGT's CR aims for the year ahead and how we will measure success in these areas.

	Environment		Our stakeholders		Our people	
	Aim	Result	Aim	Result	Aim	Result
2014	To continue to encourage DMGT employees to be aware of their impact on the Group's carbon footprint	Polar Bear awareness campaign continued to be rolled out across the Group	Review of suppliers' credentials and how they are evaluated at the businesses	Review carried out and findings reviewed by CR Committee	Community Champions Awards (CCA) to be refined with more focused categories (Personal Achievement, Team and Green)	Nominations in excess of 100 received Nominations from all Group businesses
	Green Week to be implemented across our businesses	Green Week implemented Group-wide during July 2014			More nominations All Group businesses to be encouraged to participate	Enhanced CCA activities
	Aim	Success factor	Aim	Success factor	Aim	Success factor
2015	Greater promotion and participation in CCA Green Award, to drive environmental awareness across the Group	Green Award for CCAs chosen from Green Week activities. Targeted communications and recognition of exemplary Green performance and initiatives	Increased transparency of CR activities on DMGT corporate website ensuring each business is fully represented	Clear and transparent CR section of website that represents all the CR activities taking place Group-wide	Greater visibility (internal and external) of CR Champions network and its achievements, to reinforce CR behaviours and messages	Greater visibility of CR Champions and their role at business level Specific recognition as a talent development opportunity
	CO_2 target set in 2012 to be reached in 2015	10% reduction in CO_2 from 2012 levels reached				

The Strategic Report was approved by the Board and signed on its behalf by the Finance Director.

By order of the Board

Stephen Daintith
Finance Director

OUR BOARD OF DIRECTORS

1. The Viscount Rothermere
Chairman
Appointed to the Board: 1995
Chairman: 1998
Skills and experience: Lord Rothermere brings significant experience of media and newspapers. He worked at the International Herald Tribune in Paris and the Mirror Group before moving to Northcliffe Newspapers in 1995. In 1997 he became Managing Director of the Evening Standard.
Committee membership: Investment and Finance, Nominations and Remuneration.
Other appointments: Euromoney Institutional Investor PLC.

2. M W H Morgan
Chief Executive
Appointed to the Board and Chief Executive: 2008
Skills and experience: Martin Morgan provides strong and committed leadership to the Group gained through more than 30 years in the media industry. Prior to joining DMGT, Martin held various senior positions at Reed International both in the UK and the US. He joined DMGT in 1989 and became CEO of dmg information.
Committee membership: Investment and Finance, and Risk.
Other appointments: Euromoney Institutional Investor PLC, City of London Investment Trust and RMS.

3. S W Daintith
Finance Director
Appointed to the Board and Finance Director: 2011
Skills and experience: Stephen Daintith provides significant expertise in finance gained through a number of roles. He was COO and CFO of Dow Jones and previously CFO at News International. Before these roles he held several senior positions at British American Tobacco, including CEO of their Switzerland and Bangladesh businesses and CFO at their Pakistan and South Africa operations. Stephen trained and qualified as a chartered accountant at the London offices of PwC.
Committee membership: Corporate Responsibility, Investment and Finance, and Risk.
Other appointments: Euromoney Institutional Investor PLC Audit Committee, RMS and Zoopla Property Group Plc.

4. K J Beatty
Executive Director
Appointed to the Board: 2004
Skills and experience: Kevin Beatty brings a number of years media industry experience. He is Chief Executive of dmg media. He was Managing Director of the Scottish Daily Record and Sunday Mail Ltd. Kevin has been Managing Director of The Mail on Sunday, the Evening Standard and London Metro; COO of Associated New Media; and Northcliffe Newspapers.
Other appointments: Newspaper Publishers Association, PA Group and Local World.

5. P M Dacre
Executive Director
Appointed to the Board: 1998
Skills and experience: Paul Dacre brings unparalleled experience of the UK newspaper industry. He joined the Group as US Bureau Chief in 1979. Appointed Editor of the Evening Standard in 1990, he has been Editor of Daily Mail since 1992 and Editor-in-Chief of Associated Newspapers since 1998, years which saw the launches of Metro and MailOnline.

6. D M M Dutton
Executive Director
Appointed to the Board: 1997
Skills and experience: David Dutton has a wealth of commercial experience. He founded Pizzaland in 1970. He was a founder and Managing Director of Trevian Holdings Plc, a property development company.
Committee membership: Corporate Responsibility, Investment and Finance, and Risk.
Additional appointments (Group companies): Artirix, dmg information, Hobsons, Landmark Information Group, RMS, Zoopla Property Group Plc.

7. F P Balsemão
Independent Non-Executive Director (Portuguese)
Appointed to the Board: 2002
Skills and experience: Francisco Balsemão provides the Board with insight into international relations, gained through his career as Prime Minister of Portugal and elected member of the State Council. He serves as Chairman of the European Publishers Council and sits on the International Advisory Board of Santander International Group.
Committee membership: Nominations.
Other appointments: Impresa Group and IMPRESA, SGPS.

8. N W Berry
Independent Non-Executive Director
Appointed to the Board: 2007
Skills and experience: Nicholas Berry's global commercial, B2B media ownership and emerging markets experience is of significant value to the Board. He is owner of Mintel International, Intersport Switzerland Psc and Chairman of Stancroft Trust.
Committee membership: Audit, Investment and Finance (from June 2014), Nominations and Remuneration.

9. J G Hemingway
Non-Executive Director
Appointed to the Board: 1978
Skills and experience: John Hemingway provides the Board and Committees with expertise of legal matters. He recently surrendered his practising certificate as a solicitor for which he qualified in 1953. After national service in the RAF, John joined Freshfields in the City of London where he was a partner from 1960 to 1974. For more than 40 years, John has specialised in advising a limited number of families on the structuring and management of their family resources. This remains his principal activity.
Committee membership: Audit, Investment and Finance, and Nominations.

10. Lady Keswick
Independent Non-Executive Director
Appointed to the Board: 2013
Skills and experience: Lady Keswick's extensive career is based in public policy and international affairs, particularly in Asia. She is Deputy Chairman of the Centre of Policy Studies and was a Special Policy Adviser to the Rt. Hon. Kenneth Clarke QC MP, working at the Departments for Health and Education and Science and the Home Office and HM Treasury. She previously worked in advertising and journalism.

11. A H Lane
Non-Executive Director
Appointed to the Board: 2013
Skills and experience: Andrew Lane brings a range of experience of dealing in complex legal and regulatory matters. He is a partner at Forsters LLP and specialises in private client law.
Committee membership: Investment and Finance, and Risk (from December 2014).
Other appointments: A Trustee of the Pension Fund of the Royal Agricultural Society of England.

12. D H Nelson
Non-Executive Director
Appointed to the Board: 2009
Skills and experience: David Nelson provides the Board and Audit Committee with relevant financial expertise, gained through a career in accounting. He is Senior Partner at Dixon Wilson, Chartered Accountants, and a Non-Executive Director of a number of family companies. He is an adviser to UK-based families and their businesses, advising on financial and tax matters in the UK and overseas. He is a trustee of a number of substantial UK Trusts.
Committee membership: Audit, Investment and Finance, Nominations, Remuneration and Risk (from February to December 2014).

13. K A H Parry
Independent Non-Executive Director
Appointed to the Board: 2014
Skills and experience: Kevin Parry is a Chartered Accountant who brings a broad range of experience and skills to the Board. He previously served as a Non-Executive Director of Schroders plc and chairman of its Audit and Risk Committee and as a member of its Remuneration and Nominations Committees. He has also been a Non-Executive Director of Knight Frank LLP. He was Director and Chief Financial Officer of Schroders plc, Group Chief Executive of Management Consulting Group PLC and the managing partner of KPMG's London-based information, communications and entertainment practice.
Committee membership: Audit (from May 2014) and Risk (from December 2014).
Other appointments: Intermediate Capital Group plc, Standard Life plc, Royal National Children's Foundation and Homes and Communities Agency.

14. H J Roizen
Independent Non-Executive Director (American)
Appointed to the Board: 2012
Skills and experience: Heidi Roizen provides the Board with experience in digital media, entrepreneurial growth and business development in both public and private companies in the US. She teaches Entrepreneurship at Stanford University. Heidi was Vice President of Worldwide Developer Relations for Apple Computers, as well as being CEO and co-founder of pioneering consumer software company T Maker.
Committee membership: Risk (until September 2014) and Remuneration (from October 2014).
Other appointments: TiVo Inc, DFJ and MailOnline.

15. D Trempont
Independent Non-Executive Director (American)
Appointed to the Board: 2011
Skills and experience: Dominique Trempont brings experience as an Executive and board member in large multinational high-tech companies and start-ups. He has extensive knowledge of online solutions. He is currently on the boards of three US public companies, focusing on disruptive technologies, emerging markets and Asia.
Committee membership: Audit.
Other appointments: On24, Trion Worlds and RMS.

C Chapman
General Counsel & Company Secretary
Claire acts as Secretary to the Board, Chair of the Corporate Responsibilty Committee and is a member of the Risk Committee.

D J Verey
David Verey retired from the Board at the AGM on 5 February 2014.

CHAIRMAN'S STATEMENT ON GOVERNANCE

In this section:

Chairman's Statement on Governance

Strong governance is essential to the way we operate throughout the Group. It is a key factor in our ability to achieve growth in a profitable, responsible and sustainable manner and in how we maximise shareholder value over the long term. In practice, this means that the Board establishes parameters within which our businesses operate and deliver shareholder value.

DMGT's approach to governance is distinctive. The benefits that the family shareholding and long-term view bring are significant.

During 2014, strategy has remained a core topic of our Board discussions. Areas of particular focus include RMS(one), dmg information's strategy and the expansion of MailOnline.

We have continued to draw on the expertise of individual Board members to the benefit of our operating businesses. Dominique Trempont and Heidi Rozien bring their sector knowledge and industry experience to the RMS Operating Board and MOL Advisory Board respectively.

As explained in the CEO Review on pages 10 to 13 we have decided to bring our B2B businesses together. This will improve their ability to learn from each other and share best practice.

Family shareholding

RCL is a holding company incorporated in Bermuda. The main asset of RCL is its holding of DMGT Ordinary Shares. RCL is owned by a trust (Trust) which is held for the benefit of myself and my immediate family. Both RCL and the Trust are administered in Jersey, in the Channel Islands. The directors of RCL, of which there are seven, include two directors of DMGT, namely myself and John Hemingway.

RCL has controlled the Company for many years and maintains that the Company should be managed in accordance with high standards of corporate governance for the benefit of all shareholders, as has been the case throughout the period of RCL's control.

RCL has indicated to the Company that its intentions for the Company's governance are long term in nature and that it would discuss with the Board of the Company any material change in its intentions. In particular, RCL has confirmed its intention that the Company will:

- continue to observe the Listing Principles in their current form;
- continue to maintain a securities dealing code for certain of its employees in the form of the Model Code in its current form;
- continue to observe the UK Corporate Governance Code on a 'comply or explain' basis; and
- have an appropriate number of independent Non-Executive Directors on its Board.

It is also intended by RCL that the Company's independent directors at the time will take decisions on behalf of the Company in relation to any proposed transaction between the Company and RCL, or between the Company and an associate of RCL, where any such proposed transaction would have been a related party transaction under Chapter 11 of the Listing Rules in its current form.

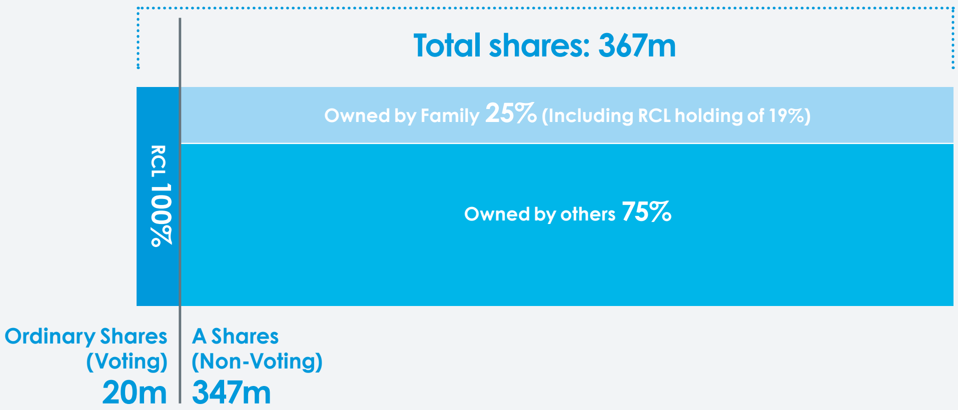
Details of how we have applied the standards of corporate governance throughout the year are set out in the remainder of this Report. Details of our Board members are set out on pages 38 and 39, including membership details of each of our Board Committees.

AGM

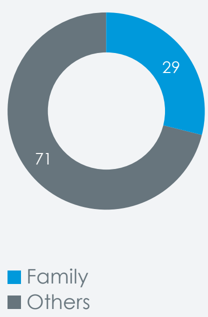
The holders of Ordinary Shares are entitled to attend and vote at the AGM on 4 February 2015. The resolutions are summarised on page 77.

The Viscount Rothermere
Chairman

Family controlled with split share structure



Total economic interest (%)



* The extended Harmsworth family owns 25% of the A Shares and RCL owns 19% of that 25%.
As at 30 September 2014.

CORPORATE GOVERNANCE

Governance in action

UK Corporate Governance Code (Code)

The Code remains an important part of how we operate. The Code allows a 'comply or explain' approach to achieving best governance practice. Whilst we comply with the majority of the Code requirements, we have chosen to deviate from the Code in some areas. These are detailed below. This allows us to recognise the benefits that we continue to derive from our heritage, and to take a long-term view of our operations. We remain satisfied that we continue to operate in accordance with high standards of governance. We have kept, and we will continue to keep, compliance with the Code under review and to adapt our position as needed.

The composition of the Audit Committee has been Code compliant for the majority of the year except for a period of three months between David Verey retiring in February and Kevin Parry joining in May.

The service contracts of the Executive Directors are Code compliant.

Information required under DTR 7.2.6 is provided on page 74 and forms part of this Report.

Leadership

The Board has a duty to promote the long-term success of the Company for its shareholders. This includes: the review and monitoring of strategic objectives; approval of major acquisitions, disposals and capital expenditure; financial performance; overseeing the Group's systems of internal controls; governance, and risk management and information; training and development. More detail on how this happens in practice is described in the remainder of this Report.

How the Board operates

There is a schedule of matters reserved to the Board. This details key matters of the Company's management that the Board does not delegate. This can be seen on www.dmgt.com/corporate-governance. If any Director had any concerns about the way the Board was operating these would be recorded in the minutes. No such concerns were raised during the reporting period. Day-to-day management is the responsibility of the Executive Directors and of the executive management of the operating businesses.

Delegation of authority

The Board has delegated certain activities, under formal terms of reference to Board Committees, details of which are set out on pages 45 to 50.

Board meetings

There were five scheduled Board meetings held in the reporting period. Each year the Board holds a meeting where the specific focus is on our strategy. This was held in July 2014. All meetings were held at Northcliffe House, London, except the July Strategy session and September meeting, which were both held in New York.

Division of Chairman and CEO responsibilities

There is a clear division of responsibilities between the Chairman and the Chief Executive. The Chairman is responsible for leading the Board and overseeing operations and strategy. The Chief Executive is responsible for the execution of the strategy and the day-to- day management of the Group, supported by the Finance Director and the executive management team.

Leadership Team

The Leadership Team is led by the Chief Executive and meetings are attended by the CEOs of the operating businesses, the Finance Director, the Group HR Director, the Strategy Development Director and the Chairman. The Leadership Team meets regularly throughout the year to discuss key issues of common interest with all the operating businesses.

Non-Executive Directors

The Non-Executive Directors, as members of the Board and its Committees, are responsible for ensuring the Company has sound systems of internal controls, an effective risk management process and additionally, for monitoring financial performance. All Committee Chairmen report to the Board on Committee activity at each Board meeting.

Independence

The Board has determined that Francisco Balsemão, Nicholas Berry, Lady Keswick, Kevin Parry, Heidi Roizen and Dominique Trempont are independent within the meaning of the Code. Francisco Balsemão has been on the Board for 12 years. The Board has reviewed his independence, recognising that longevity of service is only one factor to be taken into account. The Board is satisfied that he has continued to demonstrate independence in terms of character and judgement.

UK Corporate Governance Code compliance

Provision	Code principle	Explanation
A 4.1	Composition of the Board	The Board has not appointed a Senior Independent Director. It considers that identifying such an individual is potentially divisive to a unitary Board and disruptive to the role of the Chairman.
A4.2	Non-Executive Directors	The Non-Executive Directors did not meet as a group without the Chairman since his performance is evaluated by the Remuneration Committee (without the Chairman being present).
B1.1	Composition of the Board	Less than half of the Board are independent Non-Executive Directors. The Board believes that its current composition is appropriate taking into account the heritage of the Group, the interests of our operating businesses represented on the Board and that a good balance is achieved from its Non-Executive Directors in terms of skill and independence. The Board keeps this under review.
B2.1	Composition of the Nominations Committee	Independent Non-Executive Directors do not comprise the majority of members of the Nominations Committee. The Board considers that given the heritage of the organisation and the global nature of its business, the members of the Nominations Committee are best suited to make recommendations to the Board on all aspects under the Nominations Committee's terms of reference.
D2.1	Composition of the Remuneration Committee	The Committee comprises one independent Non-Executive Director, rather than three. More details are set out in the Remuneration Report on page 72.

CORPORATE GOVERNANCE CONTINUED

John Hemingway is not considered to be independent as he is a director of RCL. David Nelson and Andrew Lane are similarly not considered to be independent as they are each advisers to the Chairman and to RCL. Nevertheless, the Board believes that these Non-Executive Directors make an important contribution to its deliberations and have invaluable experience of the Company, its business and its staff.

Effectiveness
The Board reviewed its effectiveness within the context of the principles and provisions of Section B of the Code. In addition to its review of independence, the Board evaluation process noted separately in this Report the following:

- Appointments: the Nominations Committee is responsible for referring potential appointments to the Board for approval and is assisted by the Chief Executive and the Group HR Director. Further details are in the Nominations Committee report on page 49.
- Time: the time commitment of each Non-Executive Director is set out in his/her Letter of Engagement. Each Letter of Engagement is renewed annually both following the shareholder vote at the AGM and following a review by the Nominations Committee to ensure it remains in line with best practice.
- Multiple commitments: the Nominations Committee recognises that its Board members may be directors of other companies and that additional experience is likely to enhance discussions at the Board. Details of any additional directorships are on pages 38 and 39. In addition, we recognise that the experience of our Non-Executive Directors is important across our activities. For this reason, Dominique Trempont was appointed as a Non-Executive Director to the RMS Operating Board in 2013 and Heidi Roizen to the MailOnline Advisory Board, also in 2013. Executive Directors are generally permitted to hold Non-Executive directorships as long as it does not lead to conflicts of interest or time.
- Development and information: on joining, Directors receive a comprehensive, tailored induction programme, which includes time with the General Counsel & Company Secretary, the Executive Directors and a range of senior managers across the Group. During the year, the Board has received updates on key areas of finance and governance as well as areas of the business.
- Re-election: in line with the Code, all Directors stand for re-election annually and will do so at the February 2015 AGM.

Board members have visited and received presentations from DMGT's operating businesses on a rolling basis. During the year, as part of Directors' ongoing development, these updates were a combination of presentations to the whole Board and smaller groups as deemed appropriate. In particular:

- visits to Trepp, Euromoney, RMS and MailOnline, New York;
- dmg information presentations to the Board; and
- during 2014 Kevin Parry, as part of his induction programme as a new Non-Executive Director, participated, over a number of days, in meetings with DMGT departmental heads, leaders of the operating companies as well as visiting these businesses and members of the Board.

Evaluation
In 2014, the Board undertook a review of its own performance and those of its Committees, which built on the results of the 2013 review. The review was conducted through an internal process facilitated by the Company Secretary. A revised questionnaire was used as a result of feedback following the 2013 evaluation process where the Board agreed that a specific set of questions on the remit and key issues facing the Board would be more appropriate. In particular, the Board considered how it was discharging its strategic remit and oversight of the key issues facing the Group and its businesses.

Completed questionnaires were submitted and reviewed by the Chairman. A summary of findings was presented to the Board in a manner that did not identify individual specific responses ensuring that the follow-up discussion with the entire Board was open. The responses showed that the Board welcomed the process and that overall, the Board was happy with the progress during the year and that the Board and its Committees continue to function well.

Actions arising from the evaluation included ensuring that time on the Board agenda was allocated for:

- reviews of major projects and lessons learnt during the year;
- continuing to review the composition of the Board through the Nominations Committee; and
- continuing to follow-up on key matters and actions arising at Board meetings and ensuring sufficient time is allocated at meetings for discussion of these matters.

Board composition and diversity

We have continued to focus on the composition of the Board during 2014 to ensure that we have the right mix of members to contribute effectively to the development of our strategy and how we operate. In particular, to continue to enhance the mix of skills and expertise represented.

Kevin Parry joined the Board and Audit Committee on 22 May 2014. He was identified as a candidate by seeking recommendations from Board members, their contacts and networks. A shortlist was prepared on that basis and candidates were contacted and the final selection was made by the Nominations Committee. Following a transitional period, he was appointed as Chairman of the Audit Committee on 9 December 2014, after the year-end process concluded.

Nicholas Berry joined the Investment and Finance Committee on 26 June 2014. Heidi Roizen stepped down from the Risk Committee on 30 September 2014, becoming a member of the Remuneration Committee on 1 October 2014.

The Board remains supportive of the principles stated in the Davies Report. Our view remains that diversity is broader than gender. We consider diversity in its broadest sense in reviewing how the Board operates and its composition. We do not see this as solely a compliance issue and consider that there is a risk that it becomes seen as such. The split of the Group's profits between our US and other businesses, the global nature of our operations and the range of activities undertaken across the Group has been reflected over recent years in our Board appointments. Maintaining this broad range of appropriate skills and experience will continue to be a factor in our Board succession planning. Further details on our approach is in the Nominations Committee report on page 49.

Accountability

Finance and business reporting
The Board has delegated day-to-day responsibility for internal controls to the Audit Committee and for risk management to the Risk Committee. Further details of the activities of these Committees are on pages 45 to 48 respectively.

DMGT Board – membership

Member	Member for the period	Meetings held	Meetings attended
Chairman The Viscount Rothermere	Yes	5	5
Chief Executive M W H Morgan	Yes	5	5
Finance Director S W Daintith	Yes	5	5
Executive Directors			
K J Beatty	Yes	5	5
P M Dacre	Yes	5	5
D M M Dutton	Yes	5	5
Non-Executive Directors			
F P Balsemão	Yes	5	5
N W Berry	Yes	5	5
J G Hemingway	Yes	5	5
Lady Keswick	Yes	5	4
A H Lane	Yes	5	5
D H Nelson	Yes	5	5
K A H Parry	Joined 22/05/2014	2 since 22/05/2014	2
H J Roizen	Yes	5	5
D Trempont	Yes	5	5
D J Verey	Left 05/02/2014	2 before 05/02/2014	1

Internal controls

The Board has overall responsibility for establishing and maintaining an effective system of internal controls. This system provides reasonable rather than absolute assurance that the Group's business objectives will be achieved within the risk tolerance levels defined by the Board. The Group operates on a divisional basis with each of the divisions having considerable autonomy as regards its operation and establishment of internal control systems. Overseeing the divisional structure is a central management team responsible to the Board. Certain functions are undertaken centrally, including: Group accounting; investor relations; strategy; risk; internal audit; corporate tax; treasury; insurance; senior management reward; and senior recruitment and HR. Euromoney Institutional Investor PLC is subject to the requirements of the Code in its own right. As disclosed in its latest report, it has in place its own system of internal controls and risk management processes which form part of the Group's overall framework of control.

The Directors have excluded joint ventures and associates, principally Zoopla Property Group Plc and Local World from their assessment of internal controls over financial reporting, as the Group does not have the ability to dictate or modify controls at these entities. Controls over the recording of amounts in the Group's consolidated financial statements relating to investments has been assessed and are considered as appropriate.

In reviewing the effectiveness of the system of internal controls, the Board has considered the controls described below, which include financial, operational and compliance controls and risk management systems.

Audit Committee

As described in more detail on pages 45 to 48, the Audit Committee, on behalf of the Board, has responsibility for the regular review of internal controls and financial risks. It fulfils this by: receiving regular reports from internal audit (see below); reviewing the results of the key internal controls certifications (see below); reviewing a summary of internal control findings prepared by the Group's External Auditors following their audit procedures; and considering significant financial reporting issues and approving any changes to Group accounting policies, which are set centrally.

Risk Committee

The Risk Committee, described in more detail on page 48, oversees the risk management processes and considers the Group risk register annually. The Committee also reviews specific risks and monitors developments in relevant legislation and regulation and the impact on the Group and on its system of internal controls. The Committee reports to the Board at each of its meetings on its operations to enable it to determine the overall effectiveness of risk management and the system of internal controls as it relates to key risks.

Investment and Finance Committee

The Investment and Finance Committee, described in more detail on page 49, evaluates the benefits and risks of investment opportunities and financing proposals. Above certain defined levels, the Board approves programmes relating to acquisition and divestment proposals and capital expenditure.

Internal audit

The Group's internal Risk and Assurance (R&A) function provides assurance on the operation and adequacy of the internal financial control environment across the Group's operating businesses. The Head of Risk and Assurance reports on reviews, including any follow-up on past reviews, to DMGT and Operating Business management, and the Audit Committee on a regular basis. An annual plan is developed each year and approved by the Audit Committee. Input, with reference to past reviews and key risks, is received from divisional and executive management, the Audit Committee, and External Auditors.

CORPORATE GOVERNANCE CONTINUED

Confirmation of key internal controls, and bribery and fraud assessment

Each Operating Business confirms the operation of key internal financial controls to Group Finance and R&A annually. The purpose of the assessment is to confirm the operation of a basic framework of internal controls, including anti-fraud controls, which are expected to be in place in each business unit. They are particularly focused on financial controls, and they are intended to provide standards against which the control environments of DMGT's business units can be monitored. An annual bribery and fraud risk assessment review is completed at the same time, detailing risks and mitigating controls. In each case, the R&A team review and follow-up these submissions, as appropriate.

Review of relevant and timely financial information

Operating Business and DMGT executive management regularly review relevant and timely financial information. This is produced from a management information system operated across the Group. It is supported by a framework of quarterly forecasts as well as annual budgets that are approved at a divisional level by the Investment and Finance Committee.

Senior Accounting Officer sign-off

The Group Finance Director is the Senior Accounting Officer (SAO) and is required, by HMRC, to certify that the Company, and its subsidiaries, have established and maintained appropriate arrangements to ensure that tax liabilities are calculated accurately in all material respects.

Effectiveness of internal controls

The Directors confirm that they have followed the process described above to review the effectiveness of the Group's system of internal controls for the period to the sign-off of the Accounts. The Board confirms that it has not identified any material weaknesses or failings during this time.

Risk management

The Board considers all significant business risks to the Group including financial risk, operational risk and compliance risk that could undermine achieving the Group's strategy and business objectives. Given the Group's divisional structure, a flexible approach to risk management systems has been implemented so that each operating business can tailor and adapt its risk management processes to its specific circumstances. This approach, which provides an overarching framework for acceptable risk parameters, has the commitment of the Leadership Team and the executive management of the Operating Businesses.

Oversight is provided by the Risk Committee. The Audit Committee is responsible for the review of financial risks. The requisite risk and control capability is assured through the Risk Committee and Board challenge. A Group-wide risk assessment process is managed annually by the R&A team, reviewing risk in Operating Businesses and risks to achieving business plans.

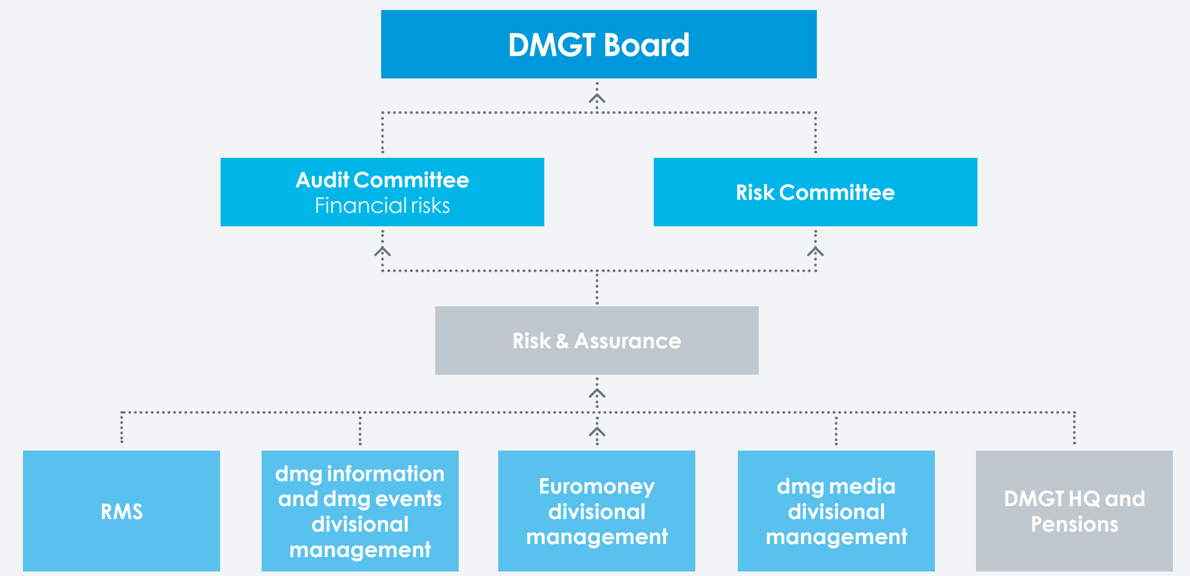
The results are collated and presented to the Risk Committee and an overall Group-wide risk plan is derived. This process assists managers to identify internal and external threats and to prioritise responses to those risks. This Group-wide risk assessment is aimed at providing the Risk Committee with insight into any material changes and trends in the risk profile and to evaluate whether the system, including reporting and controls, adequately supports the Board in overseeing key risks.

Principal risks and mitigating actions are set out on pages 30 to 33.

Investment opportunities and financing proposals

Investment and operating decisions are delegated under formal terms of reference to the Investment and Finance Committee. This Committee works alongside executive management to ensure that investment decision making and Group strategy development operates in accordance with best practice. The Committee evaluates the benefits and risks of investment opportunities and financial proposals up to an agreed level, above which the Board approves programmes relating to acquisition and divestment proposals and capital expenditure. Details in respect of the Investment and Finance Committee's activities are given on page 49.

Risk oversight at DMGT



Fair, balanced and understandable

One of the key governance requirements of a Group's financial statements is for the reports to be fair, balanced and understandable. The coordination and review of Group-wide input into the Annual Report is a specific project, with defined time frames, which runs alongside the formal audit process undertaken by the External Auditor. The Audit Committee's and the Board's confirmation of satisfaction with the process and the statements being made is underpinned by:

- comprehensive guidance being provided to the Operating Businesses in respect of each of the requirements for, and each of their contributions to, the Annual Report;
- a verification process in respect of the factual context of the submissions made;
- comprehensive sign-off process by owners of all statements made; and
- comprehensive reviews undertaken at different levels of the Group with the aim of ensuring consistency and overall balance.

As a result of this process, the Audit Committee and the Board are satisfied with the overall fairness, balance and clarity of the Annual Report.

Relations with shareholders

Any concerns raised by shareholders in relation to the Company and its affairs are communicated to the Board through regular briefings. Analyst reports are circulated to the Board. Feedback from meetings held with the executive management or the Investor Relations team and institutional shareholders, are also communicated to the Board.

Engagement with institutional investors in 2014

Chairman's dinner	January
Investor Roadshow	May (Results)
Investor Briefing (RMS, Euromoney, MailOnline) www.dmgt.com/investorbriefing	September
Investor Roadshow	November (Results)

The Company's website, www.dmgt.com, provides the latest news and historical financial information, details about forthcoming events for shareholders and analysts and other information regarding the Group.

Private shareholders are given the opportunity to raise queries with the Company Secretary.

The Group is committed to reducing its impact on the environment in line with its Environment Policy and encourages shareholders to receive communications electronically in order to reduce printing and paper usage. Shareholders can register to receive electronic communications through the Company's Registrars, Equiniti. Shareholders can additionally register for Regulatory News Service email alerts at www.dmgt.com. Contact details can be found on page 181.

Board Committees

The Board has delegated certain activities to its Committees, as described on pages 45 to 50. During the year, the following acted as Secretary to the stated Committees:

- **the General Counsel & Company Secretary to the Audit, Investment and Finance, and Nominations Committees;**
- **the Head of Reward to the Remuneration Committee;**
- **the Head of Risk and Assurance to the Risk Committee; and**
- **the Assistant Company Secretary to the CR Committee.**

Audit Committee

David Nelson
Acting Chairman of the Audit Committee

Since our AGM on 5 February 2014, I have been Acting Chairman of the Committee.

The UK Corporate Governance Code invites the Committee to report on the significant issues considered during the year. Further details are contained later in the report, but the most important issues were:

RMS(one)

- The accounting treatment of the costs capitalised in relation to the development of RMS(one).
- The Company announced a delay to the launch of RMS(one) in March 2014. Since that time the Committee has overseen an in-depth review of the accounting treatment of costs capitalised and the appropriate extent of an impairment charge. The review has involved the Committee, the CFO and other members of the finance team at DMGT, together with the External Auditors. This review has included testing the financial assumptions with key customers.
- Whilst such reviews of the carrying value of capitalised assets are of course carried out each year, the innovative nature of the RMS(one) platform and the total spend on it, continues to require judgements to be made of the likely revenue stream and the speed of adoption of the new technology.

CORPORATE GOVERNANCE CONTINUED

External Auditors

- Deloitte LLP has been the Group's External Auditors for over 10 years. In accordance with the recommendations of the Code, and related guidance, we conducted a tender process involving the four largest audit and assurance practices. After detailed consideration, the Committee recommended to the Board that, subject to shareholder approval at the 2015 AGM, PricewaterhouseCoopers LLP should be appointed as the Group's External Auditors.
- To minimise any disruption to the audit process and to best protect shareholders' interests, a handover process has been ongoing since September 2014.
- As Acting Audit Committee Chairman, I would like to thank Deloitte LLP for their service during the year.
- Kevin Parry, who was appointed to the Board and the Committee in May 2014, was appointed the Audit Committee Chairman on 9 December 2014 following the end of the year-end audit process. In addition to its routine business, the Committee will continue to closely monitor the transition to the new External Auditors.

David Nelson
Acting Chairman of the Audit Committee

Membership

The Committee has been supported in its activities during the year by the Chief Executive, Finance Director, Financial Controller, Head of R&A and the General Counsel & Company Secretary. Membership and meetings are shown below.

Member	Member for period	Meetings held	Meetings attended
D H Nelson (Chairman from 04/02/2014)	Yes	4	4
N W Berry	Yes	4	4
J G Hemingway	Yes	4	4
K A H Parry	Joined 22/05/2014	1 since 22/05/2014	1
D Trempont	Yes	4	4
D J Verey (Chairman until 04/02/2014)	Left 04/02/2014	2 before 04/02/2014	1

Audit Committee Report

During the year the Chairman of the Committee, David Verey, retired. David Nelson was appointed acting Chairman. Independent, Non-Executive Director Kevin Parry was appointed to the Board and Audit Committee on 22 May and Chairman of the Committee on 9 December following completion of year-end reporting and a transition period.

The integrity of the Group's financial results and internal control systems are important to both Directors and to shareholders. They are also important to the way that the Group's businesses are operated as they are required to measure and sustain achievement of DMGT's strategic objectives.

The Committee assists the Board in its oversight and monitoring of financial reporting and internal controls. It tests and challenges these areas in conjunction with management and internal and External Auditors, as appropriate.

A summary of the key responsibilities, activities and governance follows:

Key responsibilities

- Monitoring the integrity of the annual and interim financial statements, reports to shareholders and corporate governance statements.
- Making recommendations to the Board regarding the annual and interim financial statements.
- Making recommendations to the Board on the appointment, retention and replacement of the External Auditor.
- Overseeing the Group's relationship with the External Auditor.
- Reviewing financial risks and monitoring the effectiveness of the Group's internal controls.
- Approving the internal and external audit plans.
- Reviewing regular reports from the Head of R&A on the Internal Audit reviews completed, the progress against the internal audit plan and issues arising.
- Monitoring the compliance with the policy on the balance of non-audit to audit work performed by the External Auditor.

Key activities during the period

- The Committee reviewed the financial statements released by the Company, including the full-year and half-year results, interim management statements and the Zoopla Property Group Plc IPO statements.
- The Committee reviewed the financial trading updates, risks and financial controls, including the key internal controls checklist report prepared by R&A and considered actions arising.
- Reviewing the accounting treatment of RMS(one) and changes required following the postponement of the launch. This included the establishment of a working party consisting of two members of the Committee, the CFO and senior members of the DMGT finance team who worked in conjunction with the External Auditors. The working party carried out a detailed review of expenditure to date, forecast further expenditure and revenue streams, the robustness of the assumptions made, and the accounting judgements therefore required.
- The Committee reviewed actions against the internal audit plan and monitored management actions recommended. Additionally, the Committee approved the plan for the forthcoming year.

- The External Auditor, as part of its assurance process, confirmed that it is considered to be independent and objective. The Committee agreed with this assessment and no matters of concern were raised. During the year, the External Auditor presented its plans for the interim review and the year-end audit and the Committee approved the scope of work to be undertaken. The External Auditor also presented its report on internal controls which provided a benchmark for additional improvements.
- During the course of the year, the Committee met with the External Auditor and the Head of R&A without the presence of management.
- The Committee received regular updates on the status of any litigation matters and trends across the Group.

Governance

- The External Auditor has been providing audit services since 2001 when it won a competitive tender to replace the incumbent firm. The current audit partner was appointed in 2011 following the rotation of the previous partner.
- The Company conducted a tender process for its audit services during the year. A sub-set of the Committee and management participated in panel presentations from four audit firms and made a recommendation to the Committee for approval. A consistent table of evaluation criteria was utilised as part of the process. The benefit of a new approach from a different firm was balanced against the impact of a transition period when selecting a new firm. As a result of the tender the Committee recommended that PricewaterhouseCoopers LLP be appointed.
- The effectiveness review of the external audit process was carried out through a Client Satisfaction Survey to obtain views of senior finance management and certain Committee members. This included a review of the planning, execution and reporting activities along with the assessment of the quality and leadership of the external audit teams involved in any audit. The results were presented to the Committee to assist in the review of the effectiveness of the audit process for the prior year. No material issues were raised.
- The Committee carried out a review of the R&A function, which concluded that the department was effective.
- The Committee reviewed and updated its Terms of Reference to reflect best practice and to minimise the potential for overlap or gaps with its remit and that of the Risk Committee.
- The Committee discussed Senior Finance Officer appointments at Group businesses.
- The Committee confirmed that it had complied with its Terms of Reference throughout the year.
- The Committee reviewed its membership and confirmed that it had complied with the Code for the majority of the year.
- The Committee confirmed, that in accordance with the provisions of the Code, each of David Nelson and Kevin Parry had recent and relevant financial experience.

Looking ahead, the Committee believes that it is important to remain focused on the audit and assurance processes within DMGT.

The key activities for the forthcoming year are:

- strategic review of our internal audit and assurance plan to ensure alignment and support of the Group's plan;
- ensuring that there is a clear plan for the remit and work of each of the Audit and Risk Committees and how these activities will interrelate, and accountability;
- continuing the progress made to date around internal controls, assessment and audit follow-up plans;
- continuing to ensure that accounting developments are communicated to, and applied by, the Committee in line with best practice; and
- continuing the review of accounting judgements in respect of material projects.

External Auditor's independence, objectivity and non-audit services

The Company's policy on the External Auditor's independence is consistent with the ethical Standards set out by the Audit Practices Board in the UK. The Committee reviews independence on a regular basis. This is designed to ensure that:

- the External Auditor does not act as a manager or employee of the Group;
- there is separation between the interests of the External Auditor and the Group; and
- the External Auditor is not required to act as an advocate for the Group.

The independence review is conducted by a review of compliance with policies in place in the Group and within the audit firm to maintain independence and objectivity. The findings are shared with the Committee. The Committee, having reviewed the report prepared by the External Auditor on its relationships within the Group and the review by management, is satisfied that the External Auditor's objectivity has not been impaired. The External Auditor is required to assess periodically that it, in its professional judgement considers itself to be independent. This has been done at each Committee meeting. In particular, the Committee requires that details in respect of audit and non-audit services are provided to it to ensure that the Group's policy on the provisions of non-audit services by the External Auditor has been followed.

The definition of non-audit services adopted by the Committee complies with the ethical Standards issued by the Audit Practices Board in the UK. The Committee, having reviewed the activities during the reporting period, is satisfied that the policy has been complied with and that the External Auditor remains independent. Details in respect of the non-audit fees paid are in Note 5 on page 105.

The Committee has primary responsibility for making recommendations to the Board on the independence and reappointment of the External Auditor. As noted above, the Committee had recommended that PricewaterhouseCoopers LLP be appointed at the 2015 AGM.

Significant and material issues

The Committee has considered a number of material issues during the year, including:

- recognising that accounting impacts arising from the delay of the RMS(one) launch, as noted on page 46, a working group was formed to specifically review any judgements made and the appropriate accounting treatment;
- policy and practice in respect of internally generated assets, including RMS(one). The RMS(one) project is the largest such project undertaken by the Group where internal costs have been capitalised. As such, specific attention has been warranted to the treatment of costs incurred;
- impairment considerations of goodwill and intangible assets. Whilst this is undertaken each year, the Committee considers that it is important to ensure that a consistent and robust approach is taken;

CORPORATE GOVERNANCE CONTINUED

- categorisation of items as exceptional. The Committee has paid specific attention to this area to ensure that treatment of such items remains consistent with the Group's accounting policy and that a consistent year-on-year approach has been taken;
- application of internal controls and how these were managed, trends and areas of potential financial risk. Whilst the Committee does not consider there to be any material weaknesses in the internal controls process, it considers that its review of internal controls is a priority item ensuring that a high standard is maintained and that improvements are made incrementally as best practice evolves; and
- the impact of changes to regulation on the Company and how any changes would be implemented and communicated.

The Committee recognises that applicable regulations change and that there should be a process for ensuring that these changes are monitored and appropriate practices adopted in a timely manner.

The Committee has discussed with the External Auditor the areas of significant risk identified by the External Auditor (see pages 78 to 80) and has satisfied itself that such risks are being appropriately managed. In addition, the Committee has considered a number of other risks as part of discharging a best practice approach, which have included:

- acquisition and disposal accounting;
- revenue recognition;
- valuation, completeness and accounting for financial instruments;
- accounting for remuneration schemes;
- defined benefit pension schemes measurements;
- related party transactions and;
- deferred tax recognition and uncertain positions.

The Committee is satisfied that all issues and significant risks have been managed appropriately and in accordance with the relevant accounting standards and principles.

David Nelson
Acting Chairman of the Audit Committee

Remuneration Committee
Details in respect of the Remuneration Committee are set out in the Remuneration Report on pages 51 to 73.

Risk Committee

Membership

The Committee has been supported in its activities during the year by the Head of Risk and Assurance. Membership and meetings are shown below.

Member	Member for period	Meetings held	Meetings attended
M W H Morgan (Chairman)	Yes	4	4
S W Daintith	Yes	4	4
D M M Dutton	Yes	4	4
C Chapman	Yes	4	4
D H Nelson	Joined 03/02/2014	3 after 03/02/2014	3
M Page	Yes	4	4
H J Roizen	Yes	4	4
D J Verey	Left 03/02/2014	2 before 03/02/2014	1

Key responsibilities

- Monitoring the Group's risk assessment methodology, including new risks, detection and prevention of fraud and bribery, and the Group's Speak-Up arrangements.
- Considering Group risks including potential future risks and their impact.
- Reviewing the Group risk register and risk registers from each Operating Business annually and approving the principal risks and uncertainties, and other risk disclosures.
- Reviewing reports on any material risk incidents and the adequacy of proposed actions.

Key activities

- The Committee reviewed the Group's risk management processes, risk register and the risk registers of dmg information, dmg events, dmg media and RMS.
- Operating Businesses' information security and cyber resilience and implementation of the Group's information security standards was considered at each meeting.
- Other specific risk reviews included: reliance on key third parties; health and safety; market disruption; market-influencing information products; and newsprint supplier risk.

Governance

- The Committee updated its terms of reference to reflect best practice and to minimise any overlap or gaps with its remit and that of the Audit Committee. It also confirmed compliance with these terms of reference.
- The Committee reported to the Board on its operations and the Group's principal risks and uncertainties.

Looking ahead, the Committee will continue to monitor key risks affecting Operating Businesses and the Group, especially common areas of risk across multiple businesses. Other areas of focus will include information security, data privacy, change management and business continuity.

Investment and Finance Committee

Membership

The Committee has been supported in its activities during the year by the Deputy Finance Director, Director of Strategy Development and the General Counsel & Company Secretary. Membership and meetings are shown below.

Member	Member for period	Meetings held	Meetings attended
The Viscount Rothermere (Chairman)	Yes	11	11
M W H Morgan	Yes	11	11
S W Daintith	Yes	11	11
D M M Dutton	Yes	11	11
N W Berry	Joined 26/06/2014	3 after 26/06/2014	3
J G Hemingway	Yes	11	9
A H Lane	Yes	11	11
D H Nelson	Yes	11	11

Key responsibilities

- Reviewing all acquisitions, disposals and capital expenditure within its remit.
- Authorising of the purchase by the Company of its own shares.
- Reviewing matters pertaining to the financial affairs of the Company and its subsidiaries, including loans made to the Company, giving of any guarantee and approval of capital programmes.
- Reviewing pension scheme management, including oversight of the Pensions Sub-Committee activities.
- Reviewing the Group's tax strategy and its implementation, including oversight of the Tax Sub-Committee.

Key activities

- Reviewing all acquisitions, disposals and capital expenditure within its remit, including presentations made by Operating Businesses for support in line with strategic objectives.
- Reviewing performance against budget and plan including reviewing debt position, including tracking performance against the original investment case and assumptions for acquisitions and investments.
- Oversight of the Company's pension scheme planning, including discussions with the various Scheme Trustees and their advisers.
- Review of the Company's dividend planning activities.
- Review and approval of the Company's investment criteria.
- Review and approval of the Company's tax strategy.
- Oversight of the Chairman's Fund for Innovation and Growth.
- Oversight of the Company's share buy-back programme.
- Oversight of the Company's repurchase of certain of its Bonds.

Governance

- The Committee reviewed its membership and approved the recommendation that Lord Rothermere continue as its Chairman.
- The Committee confirmed that it had complied with its Terms of Reference throughout the year.

Nominations Committee

Membership

The Committee has been supported in its activities during the year by the Chief Executive, Group HR Director, and the General Counsel & Company Secretary. Membership and meetings are shown below.

Member	Member for period	Meetings held	Meetings attended
The Viscount Rothermere (Chairman)	Yes	4	3
F P Balsemão	Yes	4	4
N W Berry	Yes	4	4
J G Hemingway	Yes	4	4
D H Nelson	Yes	4	3

Key responsibilities

- Defining the core skills and experience, and diversity for potential new Board members, identifying and reviewing potential candidates.
- Reviewing the diversity position of the Board in light of best practice.
- Making recommendations on Board and Committee composition.
- Interviewing shortlisted candidates and making recommendations based on the same to the Board.

Succession planning

Given the importance of succession planning, in addition to the general Board planning undertaken by the Nominations Committee, as in the previous year, the Non-Executive Directors held a separate session in November 2014 facilitated by the Group HR Director.

Key activities

- Reviewing potential candidates for Board appointments.
- Discussing Board and Committee composition and longevity of service and Board independence.
- Reviewing governance activities against best practice.
- Reviewing the letter of engagement with each Non-Executive Director to ensure the provisions remained in line with best practice. Following shareholder approval at the AGM, re-engaged the service of Non-Executive Directors for a further period of a minimum of one year.
- Reviewing time commitments required by Non-Executives and confirmed that it was satisfied that the Directors had met or exceeded the time commitment required.
- In line with the Code, recommended that all Directors stand for re-election at the AGM.

CORPORATE GOVERNANCE CONTINUED

Looking ahead, the Committee's key activities for the forthcoming year are:

- Reviewing the composition of the Board to ensure that the right skills and experience to support the Group's strategy are represented.
- Reviewing Committee membership to ensure that there is a balance of skills reflected.
- Continuing to review succession planning for the Executive Directors.

Governance

- The Committee reviewed its membership and confirmed the explanatory statement (on page 41) in respect of the Code.
- The Committee confirmed that it had complied with its Terms of Reference throughout the year.
- The Committee paid particular attention to extending the term of any Non-Executive Director that has served a term in excess of six years.
- The Committee reviewed the independence of the Non-Executive Directors and agreed to recommend that Francisco Balsemão, Nicholas Berry, Lady Keswick, Kevin Parry, Heidi Roizen and Dominique Trempont remained independent in accordance with the Code provisions.
- The Committee reviewed the Report to Shareholders contained in the Annual Report and recommended it for approval by the Board.

Corporate Responsibility Committee

Membership

Member	Member for period	Meetings held	Meetings attended
C Chapman (Chairman)	Yes	4	4
S W Daintith	Yes	4	4
D M M Dutton	Yes	4	1
R Beistman	Yes	4	4
P S Collins	Yes	4	3
A G DiCola	Yes	4	3
C R Jones	Yes	4	2
G Poss	Yes	4	3
K FitzGerald	Left 11/11/2013	1 before 11/11/2013	0
R Stunt	Left 11/11/2013	1 before 11/11/2013	0
P Duffy	Left 11/11/2013	1 before 11/11/2013	0

Key responsibilities

- Setting the Group's Corporate Responsibility (CR) strategy and have an overview of CR issues.
- Developing and protecting the reputation of DMGT as an ethical and responsible corporate citizen.
- Ensuring that the Company has a positive social impact on its stakeholders and the community at large.
- Monitoring and reporting on purchasing procedures in areas where sustainability is a major consideration (principally newsprint).
- Monitoring and reviewing legislative, regulatory, governmental or similar developments (including proposals for participation in non-mandatory third-party initiatives) relating to environmental issues.
- Recommending and setting environmental targets (including the Group's carbon footprint target).
- Reporting on and monitoring carbon/energy usage abatement measures taken by DMGT businesses.
- Monitoring and assisting the spread of best practice across the Group on Company employee matters and make recommendations in the areas of engagement, communication, health and safety, diversity, learning, development, training and careers.
- Monitoring and assisting the spread of best practice across DMGT businesses to achieve an honest, reliable and trusted relationship with our employees, suppliers and customers.
- Encouraging an exchange of ideas between Group companies.
- Promoting involvement of our businesses/employees within their local communities including the promotion of relevant and allied charitable activities.

Key activities

- Reviewing entries for the Community Champions Awards and choosing the winners of each category.
- Communicating the focus of charitable giving for the Group.
- Agreeing submissions for matched funding to be put forward to the Charity Committee for consideration.
- Reviewing data used to calculate the annual carbon footprint.
- Approval of the content of the CR Review for the Annual Report.
- Monitoring the progress of the CR Champions Network.
- Launching the Group-wide Green Week initiative to promote environmental awareness across our businesses.

Looking ahead, the Committee will focus on continuing to develop Group-wide initiatives such as the Community Champions Awards, Green Week and the CR Champions Network as a talent development opportunity.

Governance

- The Committee reviewed its membership and approved the recommendation that Claire Chapman continue as its Chairman.
- The Committee confirmed that it had complied with its Terms of Reference throughout the year.

The Viscount Rothermere
Chairman

REMUNERATION REPORT

In this section:

Chairman's statement on remuneration

Key decisions made by the Remuneration Committee (the Committee) during the year were:

Bonus payments for FY 2014
DMGT has delivered another year of strong performance. Group underlying operating profit increased by 15% at an operating margin of 17%. However, in light of the delayed release of RMS(one) and the associated impairment charge, the Committee decided that the annual bonus for those Executive Directors with responsibility for B2B would be reduced by 25%. This decision was made with the full support of the Executive Directors affected. Full details can be found on pages 53 and 63.

Paul Dacre
Paul Dacre's remuneration for the past year was agreed in 2008 in recognition of the fact that Mr Dacre had agreed to work beyond DMGT's retirement age at that time. In the ensuing five years, under his aegis as Editor-in-Chief, Daily Mail and The Mail on Sunday significantly out-performed the market; MailOnline has become the worlds most visited English language newspaper website with a major presence in the US; and Metro is one of the world's biggest free newspapers. However, Daily Mail and The Mail on Sunday continue to face a challenging print newspaper market and this has required strategic focus on operational efficiencies and a more integrated approach across the business.

In the light of this, Paul Dacre requested that his remuneration be more directly linked to the overall success of the business. To achieve this, he has waived his contractual right to a salary increase of the higher of RPI or 5% each year. He has also waived his annual salary supplement of £500,000.

The Committee has agreed that Paul Dacre will receive a 3% salary increase with effect 1 October 2014 and that, in line with other Executive Directors, in the future he will receive an annual award under the 2012 Long-Term Incentive Plan. Awards will vest after three years with the performance conditions focused on the delivery of strategic objectives for the Mail titles. Accordingly, an amendment to the remuneration policy is proposed, to make Paul Dacre an annual LTIP award of 70% of salary. To effect this, approval is sought for changes to the LTIP.

Salary review FY 2015
A salary increase of 3% was awarded to all Executive Directors with effect from 1 October 2014. This is in accordance with general salary budgets across the Group.

Vesting of the 2010 LTIP award
The award for Martin Morgan vested based on results against targets over the period from 1 October 2010 to 30 September 2013. The Committee considered that good progress had been made against the strategic targets and judged the outcome to be 37.5%, slightly higher than the 35% estimated vesting in last year's report. Details are shown in table 4.1 on page 54 and table 6.1 on page 56.

Vesting of the 2007 LTIP award
DMGT's total shareholder return (TSR) ranked fourth against a competitor group of 12 companies, resulting in the award vesting at 120%. Details are shown in table 4.2 on page 55.

Awards under the 2012 LTIP
The Committee considers that the four LTIP strategic objectives continue to reflect the aims of the Group and progress against these will ensure that Executives are aligned with delivering a strong underlying performance and long-term sustained returns for shareholders. The strategic objectives are:

- to grow B2B business;
- continue to invest in strong brands of digital consumer media, particularly MailOnline;
- grow sustainable earnings and dividends; and;
- increase the Company's exposure to growth economies and to international opportunities.

Each year, the Committee reviews progress against the strategic targets and I am pleased to be able confirm that DMGT remains on track for achieving these objectives.

Divisional incentive schemes
We considered our long-term incentive arrangements. In particular, we considered the plans for RMS in light of the postponement of the launch of RMS(one) to ensure that they focus and motivate employees, rewarding them for the achievement of strategic priorities.

New appointment to the Committee
The Committee is pleased to confirm the appointment of Heidi Roizen with effect from 1 October 2014. Heidi Roizen brings considerable experience from the US, digital media and entrepreneurial environments.

The Viscount Rothermere
Chairman

REMUNERATION REPORT
CONTINUED

Executive Directors: remuneration at a glance

Corporate performance in FY 2014
Key indicators of corporate performance are shown below:

	2014	2013	Movement
Adjusted profit before tax	£291m	£267m	+9%
Dividend per share	20.4p	19.2p	+6%
Adjusted earnings per share	55.7p	49.9p	+12%
Share price	£7.68	£7.62	+1%

FY 2014 Remuneration outcomes for the Executive Directors
The table below summarises the remuneration for the Executive Directors in FY 2014:

	The Viscount Rothermere £000	M W H Morgan £000	S W Daintith £000	K J Beatty £000	P M Dacre £000	D M M Dutton £000	Total £000
Salary 2014	797	957	679	707	1,378	348	**4,866**
Increase with effect from 1 October 2014	3%	3%	3%	3%	3%	3%	
Salary supplement	–	–	–	–	1,000	–	**1,000**
Bonus (including deferred amounts)	833	514	359	424	–	88	**2,218**
As a % of salary	105%	54%	53%	60%	–	25%	
Taxable benefits	37	21	16	32	34	1	**141**
Pension benefits	295	354	204	262	–	–	**1,115**
LTIP awards vesting in year	438	175	–	–	–	188	**801**
Recruitment award	–	–	169	–	–	–	**169**
Total remuneration FY 2014	**2,400**	**2,021**	**1,427**	**1,425**	**2,412**	**625**	**10,310**
Total remuneration FY 2013	2,304	2,949	1,417	2,218	1,847	484	11,219

The key elements of remuneration for the Executive Directors
The key elements of remuneration applicable for each Executive Director in FY 2014 are described below:

The Viscount Rothermere
Salary of £796,800 (including Euromoney Board fees); annual bonus opportunity of 180% of salary maximum, 90% of salary on-target, no deferral applies; pension allowance of 37% of salary; car allowance and family medical insurance. Lord Rothermere does not participate in the LTIP.

M W H Morgan
Salary of £956,700 (including Euromoney Board fees); annual bonus opportunity of 100% of salary maximum, 50% of salary on-target, any amount above target deferred into nil cost options for two years; standard LTIP award of 100% of salary vesting in full after five years; pension allowance of 37% of salary; car allowance and family medical insurance.

S W Daintith
Salary of £679,000; annual bonus opportunity of 100% of salary maximum, 50% of salary on-target, any amount above target deferred into nil cost options for two years; standard LTIP award of 100% of salary vesting in full after five years; pension allowance of 30% of salary; car allowance and family medical insurance.

K J Beatty
Salary of £707,000; annual bonus opportunity of 60% of salary maximum, 30% of salary on-target, any amount above target deferred into nil cost options for two years; standard LTIP award of 100% of salary vesting in full after five years; pension allowance of 37% of salary; company car allowance and family medical insurance.

P M Dacre
Salary of £1,377,600; salary supplement payments totalling £1,000,000 were made during FY 2014 which comprised two £500,000 payments rather than the usual one amount of £500,000. Two payments fell into FY 2014 under the timetable agreed when the arrangement was put in place in 2008; company car and car allowance, fuel benefit and family medical insurance.

D M M Dutton
Salary of £347,600; annual bonus opportunity of 50% of salary maximum, 25% of salary on-target, no deferral applies; personal medical insurance. David Dutton does not participate in the LTIP.

Executive Directors: annual report on remuneration

Annual report on remuneration table 1: Single figure of remuneration paid to Executive Directors – Audited

The table below sets out the single total figure of remuneration and breakdown for each Executive Director in FY 2014 and FY 2013. Details of the calculation of the annual bonus figure for FY 2014 can be found in the section Variable pay awards vesting in FY 2014, on pages 53 and 54. Details of the calculation of the LTIP figure for 2014 can be found under the Outcome of LTIP awards section on pages 54 and 55.

	Financial year	Salary and fees[1] £000	Salary supplement[2] £000	Taxable benefits[3] £000	Pension benefits £000	Total fixed £000	Annual bonus[4] £000	Total annual remuneration £000	LTIP[5,6] £000	Recruitment award[7] £000	Total remuneration £000
The Viscount Rothermere	**2014**	**797**	**–**	**37**	**295**	**1,129**	**833**	**1,962**	**438**	**–**	**2,400**
	2013	774	–	37	286	1,097	1,207	2,304	–	–	2,304
M W H Morgan	**2014**	**957**	**–**	**21**	**354**	**1,332**	**514**	**1,846**	**175**	**–**	**2,021**
	2013	929	–	21	344	1,294	815	2,109	840	–	2,949
S W Daintith	**2014**	**679**	**–**	**16**	**204**	**899**	**359**	**1,258**	**–**	**169**	**1,427**
	2013	659	–	17	198	874	543	1,417	–	–	1,417
K J Beatty	**2014**	**707**	**–**	**32**	**262**	**1,001**	**424**	**1,425**	**–**	**–**	**1,425**
	2013	686	–	26	254	966	360	1,326	892	–	2,218
P M Dacre	**2014**	**1,378**	**1,000**	**34**	**–**	**2,412**	**–**	**2,412**	**–**	**–**	**2,412**
	2013	1,312	500	35	–	1,847	–	1,847	–	–	1,847
D M M Dutton	**2014**	**348**	**–**	**1**	**–**	**349**	**88**	**437**	**188**	**–**	**625**
	2013	337	–	1	–	338	146	484	–	–	484
P M Fallon[8]	**2014**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2013	9	–	2		11	246	257	–	–	257
Total	**2014**	**4,866**	**1,000**	**141**	**1,115**	**7,122**	**2,218**	**9,340**	**801**	**169**	**10,310**
	2013	4,706	500	139	1,082	6,427	3,317	9,744	1,732	–	11,476

Notes

1. Salary shown for Lord Rothermere and Martin Morgan includes fees of £30,000 p.a. as Directors of Euromoney.
2. Paul Dacre received salary supplement payments totalling £1,000,000 during FY 2014 which comprised two £500,000 payments rather than the usual one amount of £500,000. Two payments fell into FY 2014 under the timetable agreed when the arrangement was put in place in 2008.
3. Taxable benefits comprise car or equivalent allowances which are £34,000 p.a. for Lord Rothermere; £18,000 p.a. for Martin Morgan and £14,000 p.a. for Stephen Daintith. Kevin Beatty had a company car until June with a taxable value of £23,000. From June to September he received an allowance of £5,333. Paul Dacre has a company car with a taxable value of £15,000 p.a. plus a car allowance of £10,000 p.a. Paul Dacre also received a fuel benefit of £6,500 p.a. All of the Executive Directors received medical benefits with a cost to the Company of approximately £3,000 p.a. with the exception of David Dutton's medical benefit which was at a cost of £1,300 p.a.
4. The bonuses shown include amounts that will be deferred into shares but do not have any further performance conditions attached, the calculation of which is detailed in table 5 on page 55. Details of the calculation of the FY 2014 bonus and the amounts deferred are shown on pages 53 and 54.
5. Value of LTIP in 2013 relates to the agreed vesting of the 2010 award of 37.5% for Martin Morgan (a slight increase on the estimated vesting of 35% in last year's report) and 53.9% for Kevin Beatty on 30 September 2013 and includes the value of all subsequent matching shares. Details of the award are shown in table 6.1 on page 56. The share price when the core award vested on 30 September 2013 of £7.62 has been used to provide a value for the shares. The awards are not realisable until December 2016 when all of the matching shares have vested. The value for Martin Morgan in 2013 has been adjusted from £783,885 to £839,876 to reflect the increased vesting level.
6. The 2007 LTIP award vested at 120% on 31 December 2013. The share price on 27 June 2014 of £8.31, the date the award was realised, has been used to provide a value for the shares. Details of this award and vesting are shown in table 4.2 on page 55.
7. The value for the recruitment award made to Stephen Daintith in January 2011 was calculated using the price at vesting on 2 January 2014 of £9.725. There were no performance conditions for this award except continued employment at the point of vesting.
8. Padraic Fallon died on 13 October 2012.

Executive Directors: Variable pay awards vesting in FY 2014

Annual report on remuneration table 2.1: Annual bonus weightings, opportunity and outcomes

The details of the weightings and opportunity relating to the annual bonus paid to Executive Directors for the year ended 30 September 2014 and included in the single figure table 1 on page 53 are shown below. The performance measures are either adjusted pre-tax profits or strategic objectives. In the light of the delayed release of RMS(one) and the associated impairment charge, the Committee decided that the annual bonus for those Executive Directors with responsibility for B2B would be reduced by 25%. This decision was made with the full support of the Executive Directors affected. A reduction was not applied to the part of Lord Rothermere's bonus which is paid in replacement of an LTIP. The resulting bonus amounts are shown in the table below:

	Weightings				Opportunity as a % of salary				
	B2B	Consumer	Overall DMGT	Strategic objectives	Threshold	Target	Maximum	Actual outcome % of salary	Actual outcome £000
The Viscount Rothermere	40%	20%	40%	–	0%	90%	180%	104.5%	833
M W H Morgan	30%	20%	30%	20%	0%	50%	100%	53.7%	514
S W Daintith	30%	20%	30%	20%	0%	50%	100%	52.9%	359
K J Beatty	–	50%	–	50%	0%	30%	60%	60.0%	424
D M M Dutton	40%	20%	40%	–	0%	25%	50%	25.3%	88

REMUNERATION REPORT CONTINUED

Executive Directors

Annual report on remuneration table 2.2: Profit measures

The profit measure is split into three categories and weighted appropriately to the role of the Executive Director (shown in table 2.1). The Board considers the performance targets for the measures to be commercially sensitive and they will not be disclosed. The following illustrates performance against targets for the profit measures:

Profit targets	Below 0%	Threshold 0%	Target 100%	Maximum 200%	Outcome as a % of target
B2B			◆		71%
Consumer				◆	200%
Overall DMGT				◆	166%

Annual report on remuneration table 2.3: Strategic objectives

For the Executive Directors shown below with strategic objectives forming part of their bonus, the following illustrates performance against targets:

	Strategic objectives	Below 0%	Threshold 0%	Target 100%	Maximum 200%	Outcome as a % of target
M W H Morgan	Strategic review and technology capability				◆	160%
S W Dainttith	Capital structure and head office performance			◆		150%
K J Beatty	Strategic review				◆	200%

Annual report on remuneration table 3: Deferred annual bonus

The Committee agreed the following deferral requirements would apply to the annual bonus with no further performance conditions:

	Deferral requirement	Type of deferral	Amount deferred FY 2014 £000	Amount deferred as a % of FY 2014 bonus
The Viscount Rothermere	Nil	None	–	–
M W H Morgan	Amounts above target bonus deferred for 2 years	Nil cost options	35	7%
S W Dainttith	Amounts above target bonus deferred for 2 years	Nil cost options	20	5%
K J Beatty	Amounts above bonus deferred for 2 years	Nil cost options	212	50%
D M M Dutton	Nil	None		–

Annual report on remuneration table 4.1: Outcome of LTIP awards in FY 2013

The vesting of the LTIP awarded to Martin Morgan in FY 2010, for which the performance period ended on 30 September 2013, was judged to be 37.5% which was a slight increase compared to the estimated vesting of 35% in last year's report. The amended number of resulting shares and their value are reflected in table 6.1 on page 56 and in the single figure table 1 on page 53. There was no change to the 2013 LTIP outcome for Kevin Beatty.

There is no LTIP value for performance at or below threshold; maximum value is 100%. The award is not realisable until the matching awards have vested in December 2016. No dividends accrue on this award. The measures were chosen to reflect the strategic aims of DMGT set in 2010. The Board considers the targets to be commercially sensitive and they will not be disclosed.

Performance measures	Below 0%	Threshold 0%	Target 50%	Maximum 100%	Weighting	Actual outcome
EBITDA	◆				25%	0.0%
Cumulative free cash	◆				25%	0.0%
Investment grade rating			◆		25%	12.5%
Strategic measures				◆	25%	25.0%
Total					**100%**	**37.5%**

Executive Directors

Annual report on remuneration table 4.2: Outcome of LTIP awards in FY 2014

The LTIP awarded to Lord Rothermere, Martin Morgan and David Dutton in 2007, for which the performance period ended on 31 December 2013, vested to the level set out below. DMGT ranked fourth against its comparator group of 12 companies resulting in a vesting of 120%.

There is no value for performance at or below threshold; maximum value is 300%. Due to vesting taking place during a close period, the award was not realised until 23 June 2014 at a share price of £8.31. No dividends accrue on this award. The measures were chosen to reflect DMGT's relative performance against a comparator group over the period 2007 to 2013. The amounts shown at realisation are reflected in the single figure table 1 on page 53.

Percentage of award realisable	TSR relative to performance group
300%	First
225%	Second
150%	Third
120%	**Fourth**
90%	Fifth
60%	Sixth
30%	Seventh
0%	Below Seventh

Awards	LTIP awarded 2007	Actual vested shares at 120%	Value at realisation (£8.31 per share) £000
The Viscount Rothermere	43,926	**52,711**	438
M W H Morgan	17,500	**21,000**	175
D M M Dutton	18,807	**22,568**	188

Executive Directors: Awards made under share schemes

Annual report on remuneration table 5: Nil cost options – Audited

The table below sets out the details of all outstanding awards of nil cost options as part of the deferred bonus plan, including those derived from the Executive Directors' bonuses for FY 2013 that were granted in December 2013 at the closing price on 29 November 2013 of £9.155. Following the exercise of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares is made. No further performance conditions are imposed.

The value of December 2013 awards at issue were £351,086 for Martin Morgan, £212,922 for Stephen Daintith and £153,754 for Kevin Beatty. Awards will be made in December 2014 in respect of bonuses for FY 2014, to the value of £35,398 for Martin Morgan; £20,030 for Stephen Daintith and £212,100 for Kevin Beatty.

Award date	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2012	Dec 2013	
Award type	Nil cost options	Nil cost options	Nil cost options	Nil cost options	Nil cost options	Nil cost options	
Relating to	2009 Bonus	2010 Bonus	2011 Bonus	2012 Bonus	2012 Bonus	2013 Bonus	
Exercisable from	Dec 2012	Dec 2013	Dec 2014	Dec 2014	Dec 2015	Dec 2015	
Expiry date	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2019	Dec 2020	
Status of awards	Vested	Vested	Outstanding	Outstanding	Outstanding	Outstanding	
Award price	£4.10	£5.39	£3.98	£5.27	£5.27	£9.16	
Outstanding awards							**Total outstanding**
The Viscount Rothermere	–	187,581	110,464	–	129,635	–	**427,680**
M W H Morgan	–	77,272	44,215	21,560	–	38,349	**181,396**
S W Daintith	–	–	24,201	22,588	–	23,257	**70,046**
K J Beatty	96,196	34,970	17,069	19,473	–	16,795	**184,503**
Total outstanding	**96,196**	**299,823**	**195,949**	**63,621**	**129,635**	**78,401**	**863,625**
Exercised during year							**Total**
The Viscount Rothermere	105,306	–	–	–	–	–	**105,306**

REMUNERATION REPORT CONTINUED

Executive Directors

Annual report on remuneration table 6.1: 2010 LTIP award, core award and matching shares – Audited

The table below sets out the details of the 2010 LTIP core awards and matching shares which vest in the year and also those that are due to vest (to the extent that the core award vested) in subsequent years in accordance with the 2001 Plan rules.

No further performance conditions apply, except that the core award and none of the matching awards are realisable until the full award vests. Total values for core and matching awards for the 2010 LTIP award are shown in the single figure table 1 on page 53 against 2013.

Award date	Dec 2010	Dec 2010	Dec 2010	Dec 2010	Dec 2010		
Award type	Core	Matching	Matching	Matching	Matching		
Relating to	2010 LTIP	2010 LTIP	2010 LTIP	2010 LTIP	2010 LTIP		
Vests	Sep 2013	Dec 2013	Dec 2014	Dec 2015	Dec 2016		
Realisable in	Dec 2016	Dec 2016	Dec 2016	Dec 2016	Dec 2016		
Status of awards	Restricted until Dec 2016	Restricted until Dec 2016	Outstanding	Outstanding	Outstanding		
Outstanding awards						**Total outstanding**	**Value at 30 Sep 2013 (£7.62 per share) £000**
M W H Morgan	36,740	18,370	18,370	18,370	18,370	**110,220**	840
K J Beatty	39,017	19,508	19,508	19,508	19,508	**117,049**	892

Annual report on remuneration table 6.2: 2009 LTIP award, core award and matching shares – Audited

The table below sets out the details of the 2009 LTIP core awards and matching shares which vest in the year and also those that are due to vest (to the extent that the core award vested) in subsequent years in accordance with the 2001 Plan rules.

No further performance conditions apply, except that the core award and none of the matching awards are realisable until the full award vests.

Award date	Dec 2009	Dec 2009	Dec 2009	Dec 2009	Dec 2009		
Award type	Core	Matching	Matching	Matching	Matching		
Relating to	2009 LTIP	2009 LTIP	2009 LTIP	2009 LTIP	2009 LTIP		
Vests	Sep 2012	Dec 2012	Dec 2013	Dec 2014	Dec 2015		
Realisable in	Dec 2015	Dec 2015	Dec 2015	Dec 2015	Dec 2015		
Status of awards	Restricted until Dec 2015	Restricted until Dec 2015	Restricted until Dec 2015	Outstanding	Outstanding		
Outstanding awards						**Total outstanding**	**Value at 30 Sep 2012 (£4.82 per share) £000**
M W H Morgan	69,053	34,527	34,527	34,527	34,527	**207,161**	999
K J Beatty	51,042	25,521	25,521	25,521	25,521	**153,126**	738

Executive Directors

Annual report on remuneration table 7: Long-Term Incentive Plans (LTIP)

All of the outstanding awards subject to performance conditions are summarised in the table below, including those awarded in December 2013 under the 2012 LTIP. Awards are made annually in line with policy. Further information about LTIP policy can be found in policy report table 6 on page 65 of this report.

In all cases there is no payout at threshold performance. The Board considers that the specific targets relating to the measures for the LTIPs are commercially sensitive and will disclose performance against targets at the time the award vests.

Award name	2007 LTIP[1] award	2009 LTIP[2] core award	2010 LTIP[2] core award	2011 LTIP award	2012 LTIP award	2013 LTIP[3] award	Recruitment[4] award	
Award date	Jul 2007	Dec 2009	Dec 2010	Feb 2012	Dec 2012	Dec 2013	Jan 2011	
Performance period ends	Dec 2013	Sep 2012	Sep 2013	Oct 2016	Oct 2017	Oct 2018	Jan 2014	
Standard award as a % of salary	187.5%	187.5%	187.5%	100%	100%	100%	N/A	
Award price	£7.17	£4.04	£5.59	£4.37	£5.27	£9.16	£5.72	
Price at vesting	£8.31	£4.82	£7.62	N/A	N/A	N/A	£9.73	
Performance measures	Relative performance of TSR against comparator group	EBITDA; cumulative free cash; net debt/ EBITDA average; and performance against strategic plan	EBITDA; cumulative free cash; investment grade rating; and performance against strategic plan	• Grow B2B business; • Continue to invest in strong brands of digital consumer media, particularly MailOnline; • Grow sustainable earnings and dividends; and • Increase the Company's exposure to growth economies and to international opportunities.			None	
Status of award	Realised	Vested but restricted until Dec 2015	Vested but restricted until Dec 2016	Outstanding	Outstanding	Outstanding	Realised	
Maximum percentage of face value that could vest	300%	100%	100%	100%	100%	100%	100%	
Estimated[e]/ Actual vesting[a]	120%[a]	52.5%[a]	M W H Morgan 37.5%[a] K J Beatty 53.9%[a]	100%[e]	100%[e]	100%[e]	100%[a]	
Outstanding awards								**Total outstanding**
M W H Morgan	–	207,161	110,220	206,350	176,243	104,500	–	**804,474**
S W Daintith	–	–	–	146,453	125,085	74,167	–	**345,705**
K J Beatty	–	153,126	117,049	152,494	130,246	77,226	–	**630,141**
Total outstanding	**–**	**360,287**	**227,269**	**505,297**	**431,574**	**255,893**	**–**	**1,780,320**
Exercised/realised during year								**Total**
The Viscount Rothermere	52,711						–	**52,711**
M W H Morgan	21,000						–	**21,000**
S W Daintith	–						17,421	**17,421**
D M M Dutton	22,568						–	**22,568**
Total exercised/ realised during year	**96,279**						**17,421**	**113,700**

Notes

1. The value of the 2007 LTIP is shown in table 4.2 on page 55 and in the single figure table 1 on page 53.
2. The value of core and matching awards for the 2009 and 2010 LTIP are shown in tables 6.1 and 6.2 on page 56 and the value of the 2010 award is shown in the single figure table 1 on page 53. The outstanding awards shown include the core and matching awards.
3. The value of the 2013 LTIP awards at issue were £956,700 for Martin Morgan, £679,000 for Stephen Daintith and £707,000 for Kevin Beatty.
4. The value of the recruitment award for Stephen Daintith is shown in the single figure table 1 on page 53.

REMUNERATION REPORT CONTINUED

Executive Directors

Annual report on remuneration table 8: Share options subject to performance conditions – Audited

A summary of the outstanding options which were granted under the 1997 Executive Option Scheme is shown below. The 165,000 options granted to Executive Directors in 2003 lapsed in full in December 2013.

Award date	Dec 2004
Date from which exercisable	Dec 2007
Expiry date	Dec 2014
Exercise price	£7.24
Status of awards	Performance conditions not met
Likely vesting	Will lapse
Performance conditions	TSR must exceed that of the FTSE 100 index for four out of six consecutive monthly calculation dates. EPS real growth over a period of three consecutive financial years
Outstanding awards	
The Viscount Rothermere	60,000
M W H Morgan	20,000
K J Beatty	30,000
P M Dacre	80,000
D M M Dutton	40,000
Total outstanding	**230,000**

Annual report on remuneration table 9: Executive Directors' accrued entitlements under DMGT Senior Executive's Pension Fund – Audited

The Group operates a two-tier defined benefit scheme for senior employees. It is the Company's policy that annual bonuses, payments under the Executive Bonus Scheme and benefits in kind are not pensionable.

The Company does not make any contributions on behalf of Paul Dacre or David Dutton. No Executive Directors are now accruing further pension in the DMGT Senior Executives' Pension Fund. The normal retirement age under the Fund for this group is 60.

	Defined benefit: Accrued annual benefit as at 30 September 2014 based on normal retirement age £000	Defined benefit: normal retirement age	Defined benefit: Additional value of benefits if early retirement taken	Weighting of pension benefit value as shown in single figure table
The Viscount Rothermere	76	3 Dec 2027	–	Cash allowance: 100%
M W H Morgan	87	16 Feb 2010	N/A	Cash allowance: 100%
K J Beatty	102	1 Nov 2017	–	Cash allowance: 100%
P M Dacre	673	14 Nov 2008	N/A	N/A

Payments to past Directors
There were no payments made to past Directors during the year.

Payments for loss of office
There were no payments made to any Directors relating to loss of office during the year.

Executive Directors

Annual report on remuneration table 10: Percentage change in remuneration of the Chief Executive

The table below sets out the remuneration delivered to the Chief Executive compared to total employee remuneration.

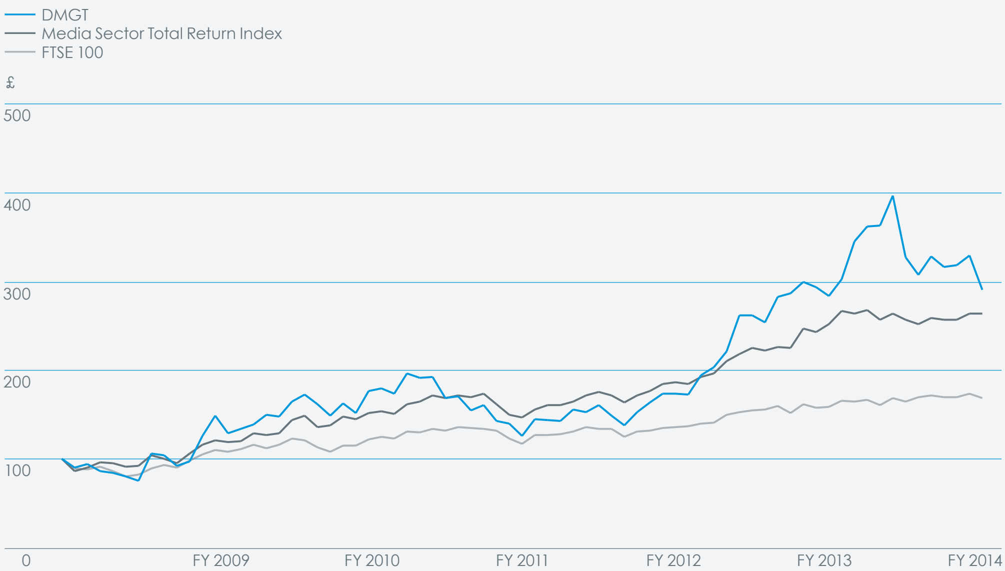
	FY 2013 Total 000	FY 2014 Total 000	% increase/decrease
Chief Executive remuneration (excluding LTIP)[1]	£2,109	£1,846	-12.5%
Total employee remuneration[2]	£543,600	£550,400	+1.3%
Average number of employees[3]	10,205	9,947	-2.5%
Average remuneration[3]	£53.27	£55.33	+3.9%

Notes
1. The decrease in remuneration for the Chief Executive is due to the bonus outcome in FY 2014 being lower than for FY 2013.
2. Total employee remuneration includes salaries, wages and incentives, but excludes pension benefits.
3. Average headcount for the year has reduced; average remuneration has increased as a result of planned remuneration increases across the Group.

Annual report on remuneration chart 1: Comparison of overall performance and remuneration of the CEO

The chart compares the Company's TSR with the Media Sector Total Return Index and the FTSE 100 Index over the past seven financial years, assuming an initial investment of £100.

The Company is a constituent of the Media Sector Total Return Index and, accordingly this is considered to be the most appropriate comparison to demonstrate the Company's relative performance.



Annual report on remuneration table 11: Chief Executive remuneration outcomes FY 2009 to FY 2014

Financial year ending	FY 2009[1] £000	FY 2010[2] £000	FY 2011[3] £000	FY 2012[4] £000	FY 2013[5] £000	FY 2014[6] £000
Total remuneration (single figure)	2,312	2,961	1,722	2,809	2,949	2,021
Annual variable pay (% maximum)	63%	98%	40%	63%	88%	54%
LTIP achieved (% maximum)	0%	25%	25%/100%	52.5%	37.5%	40%

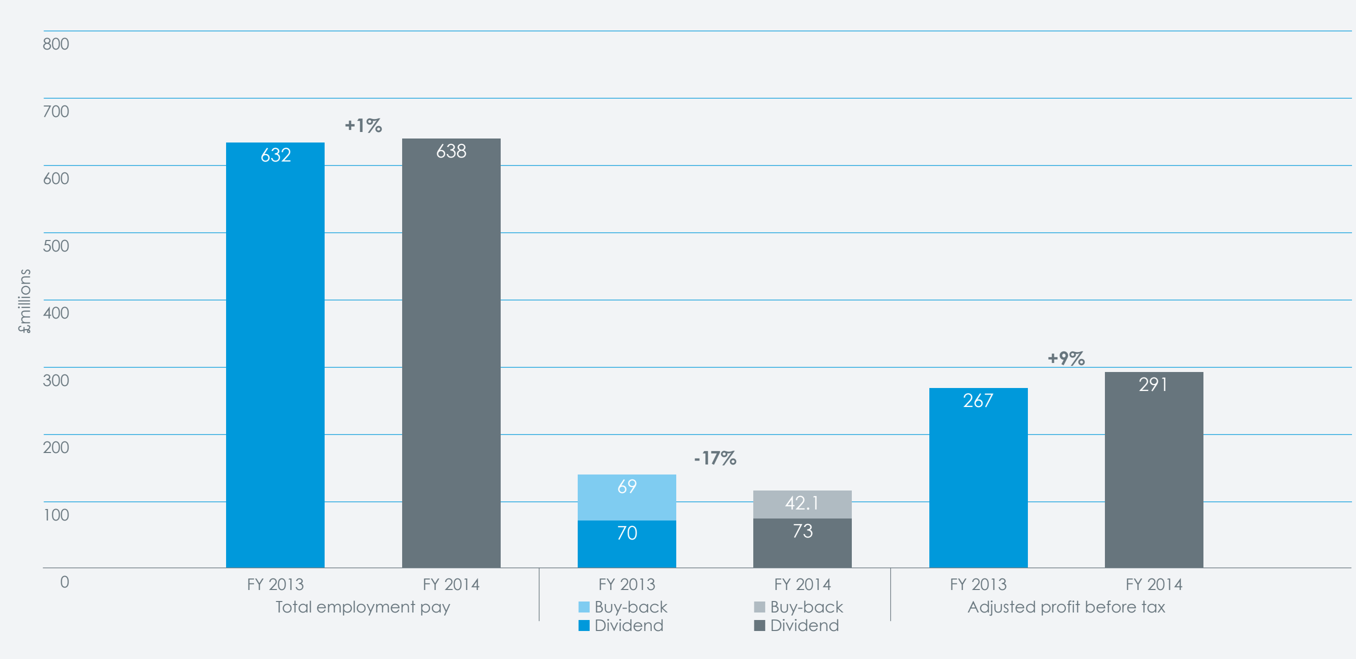
Notes
1. In FY 2009 maximum bonus opportunity was 200% of salary. No LTIP awards were made in that year or vested in that year. Maximum bonus opportunity was 100% of salary in all other years.
2. In FY 2010 the price on 31 December 2009 (£4.14) is used for the 2003 LTIP award which vested 75% out of a maximum 300% in December 2009.
3. Two awards vested in FY 2011. The price on 31 December 2010 (£5.72) is used for the 2004 award which vested 75% out of a maximum 300% in December 2010. The price on 30 September 2011 (£3.68) is used for the 2008 transition award which vested 100% in September 2011.
4. In FY 2012 the price on 30 September 2012 (£4.82) is used for the 2009 award which vested 52.5% out of a maximum 100% in September 2012.
5. In FY 2013 the price on 30 September 2013 (£7.62) is used for the 2010 award which vested 37.5% out of a maximum 100% in September 2013 and the 2006 award lapsed.
6. In FY 2014 the price on realisation on 23 June 2014 (£8.31) is used for the 2007 award which vested at 120% out of a maximum 300% in December 2013.

REMUNERATION REPORT
CONTINUED

Executive Directors

Annual report on remuneration chart 2: Relative importance of spend on pay
The chart below sets out the relative importance of spend on pay in the financial year.

The adjusted profit before tax figure for FY 2013 has been restated due to a change in accounting standards.



Executive Directors' remuneration policy

Introduction

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013, shareholders are provided with the opportunity to endorse the Company's remuneration policy through a binding vote. The current policy was agreed at the AGM on 5 February 2014. The binding vote on our intended Directors' remuneration policy will be put to shareholders at the AGM on 4 February 2015 (see page 77) and the policy will be operated, as described, from that date.

Policy applied to Executive Directors

The Committee aims to structure remuneration packages which motivate and retain Executive Directors and are appropriate to their level of responsibility. The Committee considers that a successful remuneration policy needs to be sufficiently flexible to take account of commercial demands, changing market practice and shareholder expectations. Accordingly, the Committee is proposing some amendments to the remuneration policy for FY 2015 which are shown below:

Policy report table 1: Executive Directors' basic fees and salary

Purpose	To recruit, retain and reflect responsibilities of the Executive Directors and be competitive with peer companies.
Operation	Reviewed annually for the following year taking into account contractual agreements, general economic and market conditions and the level of increases made across the Group as a whole. Benchmarking is performed periodically and our intention is to apply judgement in evaluating market data.
Levels	Annual increases are in line with average UK-based employees, subject to particular circumstances such as changes in roles, responsibilities or organisation, or as the Committee determines otherwise based on factors listed under 'Operation'. Policy Amendment: Paul Dacre receives a contractual salary increase of the higher of RPI or 5%. This contractual increase has been waived by Paul Dacre from 1 October 2014. In future Paul Dacre's salary increases will be considered and awarded in line with those of the other Executive Directors. Maximum is set at a level the Committee considers appropriate taking account of the individual's skills, experience, performance and external environment.
Performance framework	Subject to satisfactory performance throughout the year.
Implementation	Increases to base salaries for Executive Directors in FY 2014 were in line with average levels of increase for UK employees across the Group at 3%.
Other employees	Base salary increases elsewhere in the Group are set at a business level, taking into account economic factors, competitive market rates, roles, skills, experience and individual performance. The change in wages and salaries for the Company as a whole is reported in chart 2 on page 60.

Policy report table 2: Executive Directors' pension

Purpose	To recruit, retain and reflect responsibilities of the Executive Directors and be competitive with peer companies.
Operation	No Executive Director accrues final salary pension benefits. Pension benefits are provided in the form of a cash allowance only.
Levels	In lieu of membership of a Company pension scheme, Lord Rothermere, Martin Morgan and Kevin Beatty receive a cash allowance of 37% of salary; Stephen Daintith receives a cash allowance of 30% of salary. The Company does not make any pension contributions on behalf of David Dutton or Paul Dacre. The current maximum cash allowance is 37% of salary.
Performance framework	Subject to continued employment.
Implementation	No change to prior year. Pension allowances are reported in the single figure table 1 on page 53 with further details in the Pensions entitlements and cash allowances section in table 9 on page 58.
Other employees	Employees in the UK are invited to join the Company defined contribution pension scheme. There are a number of schemes in operation, all of which offer levels of employer matching contributions. Over the course of the next 12–18 months, all new joiners will be auto-enrolled into the appropriate scheme. Employees in the US are offered 401(k) plans.

REMUNERATION REPORT CONTINUED

Executive Directors

Policy report table 3: Executive Directors' benefits in kind

Purpose	To recruit, retain and reflect responsibilities of the Executive Directors and be competitive with peer companies.
Operation	Cash allowances and non-cash benefits such as medical and car benefits. Allowances do not form part of pensionable earnings. Kevin Beatty and Paul Dacre may choose either a company car (the value of which will change from time to time) and/or a car allowance. Lord Rothermere, Martin Morgan and Stephen Daintith receive a cash allowance. David Dutton will receive a cash allowance from 1 October 2014.
Levels	Taxable benefits comprise car and/or equivalent car allowances. Currently car allowances are £34,000 p.a. for Lord Rothermere; £18,000 p.a. for Martin Morgan and £14,000 p.a. for Stephen Daintith. Kevin Beatty receives a car allowance of £16,000 p.a. Paul Dacre has a company car with a taxable value of £15,000 p.a. and a £10,000 p.a. additional car allowance. Paul Dacre also received a fuel benefit of £6,500 p.a. All of the Directors receive medical benefits with a cost to the Company of approximately £3,000 p.a., with the exception of David Dutton's medical benefit which was at a cost of £1,000 p.a. The cost of benefits changes periodically and may be determined by outside providers. There has been no increase in car allowances since 2008. Non-taxable benefits comprise access to chauffeur-driven cars for each of the Executive Directors.
Performance framework	Subject to continued employment.
Implementation	No change to policy since prior year. Kevin Beatty opted to receive a car allowance from June 2014. David Dutton will receive an allowance of £14,000 p.a. from October 2014. Allowances and benefits for FY 2014 are reported in detail in the notes to the single figure table 1 on page 53.
Other employees	Allowances and benefits for employees reflect the local labour market in which they are based.

Executive Directors

Policy report table 4: Executive Directors' annual bonus

Purpose	To focus Executive Directors on the delivery of financial performance and strategic objectives creating value for the Company and shareholders. To reward individual contribution to the success of the Company.
Operation	Up to 100% of total bonus opportunity is based on financial performance at corporate and business unit level. Up to 50% of total bonus opportunity is based on performance against strategic non-financial objectives. The bonus weightings applied for each of the Executive Directors may vary from time to time and may include financial targets relating to their specific business. The bonus weightings for FY 2014 are detailed in table 2.1 on page 53. The weightings that apply to the bonus may vary if the Committee determines that it is appropriate in order to achieve the strategic aims of the business. Performance is measured separately for each item as shown in tables 2.2 and 2.3 on page 54. Annual incentive payments do not form part of pensionable earnings. Annual bonus plans are discretionary and the Committee reserves the right to make adjustments to payments up or down if it believes that exceptional circumstances warrant doing so. The adjustments that were applied to the FY 2014 bonus are described in the implementation section of this table.
Levels	For Lord Rothermere, maximum opportunity is 180% of salary; for Martin Morgan and Stephen Daintith, maximum opportunity is 100% of salary; for Kevin Beatty maximum opportunity is 60% of salary and for David Dutton maximum opportunity is 50% of salary. On-target bonus is 50% of maximum in all cases. There is normally no payout for performance at threshold. The performance range sets a balance between upside opportunity and downside risk and is normally based on targets in accordance with the annual budget.
Performance framework	Bonuses are subject to the achievement of profit targets for B2B, Consumer and DMGT overall. Outcome against strategic objectives also contributes towards the bonus for Martin Morgan, Stephen Daintith and Kevin Beatty. The selection and weighting of performance measures takes into account the strategic objectives and business priorities for the year. The weightings that are applied to the FY 2014 bonus targets are as reported in table 2.1 on page 53. Strategic objectives are agreed by the Committee and may be non-financial. The Board considers the specific targets for each measure to be commercially sensitive and they will not be disclosed. Performance against targets in the year that bonus awards are made will be disclosed.
Implementation	Annual bonus payments for FY 2014 are reported in detail in tables 2.1, 2.2 and 2.3 on pages 53 and 54. The Committee applied its discretion for the FY 2014 bonus and agreed that a reduction of 25% of the calculated bonus was appropriate in light of the delayed delivery of RMS(one). This reduction has been applied to all of the bonuses for Executive Directors with operational responsibility for B2B. For Lord Rothermere, this reduction was applied to the first 50% of his on-target bonus opportunity, with the remaining 40% being in lieu of him receiving an LTIP. For FY 2015, the financial measures and weighting for each measure will be the same as FY 2014 for Stephen Daintith, Kevin Beatty and Martin Morgan. Lord Rothermere and David Dutton will have 30% of their bonuses determined by the outcome of B2B financial targets, 30% by the outcome of Consumer financial targets and 40% by the outcome of DMGT overall financial targets.
Other employees	Many other employees participate in some form of cash-based annual incentive, bonus or commission plan. The annual incentive plan for the Executive Directors forms the basis of the annual incentive plan for the head office Executives. Plans across the Group are designed and tailored for each business, with the purpose of incentivising the achievement of their annual targets.

REMUNERATION REPORT CONTINUED

Executive Directors

Policy report table 5: Executive Directors' bonus deferral

Purpose	To provide an element of retention and align Executive Directors' interests with those of shareholders.
Operation	The current plan was adopted by the Board in November 2012. Awards are delivered through a grant of nil cost options. A proportion of some Executives Directors' annual bonus is deferred for a period of two years. Annual bonus deferral requirements are reported in detail in table 3 on page 54. Following the exercise of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares will be made. Under the rules of the bonus deferral plan adopted in 2012, clawback of vested and unvested awards is possible in the event of material misstatement of information or misconduct.
Levels	Martin Morgan, Stephen Daintith and Kevin Beatty are required to defer any above-target annual bonus into nil cost options for two years. Lord Rothermere and David Dutton are not required to defer any part of their bonus.
Performance framework	No further performance conditions are imposed. This is reflective of market practice.
Implementation	The nil cost option awards made under the plan for FY 2013 are shown in table 5 on page 55. The cash amounts that apply for the FY 2014 bonus are shown above table 5 on page 55. Bonus deferral requirements remain as stated in table 3 on page 54.
Other employees	Most annual incentive plans around the Group do not include a requirement for deferral.

Executive Directors

Policy report table 6: Executive Directors' Long-Term Incentives

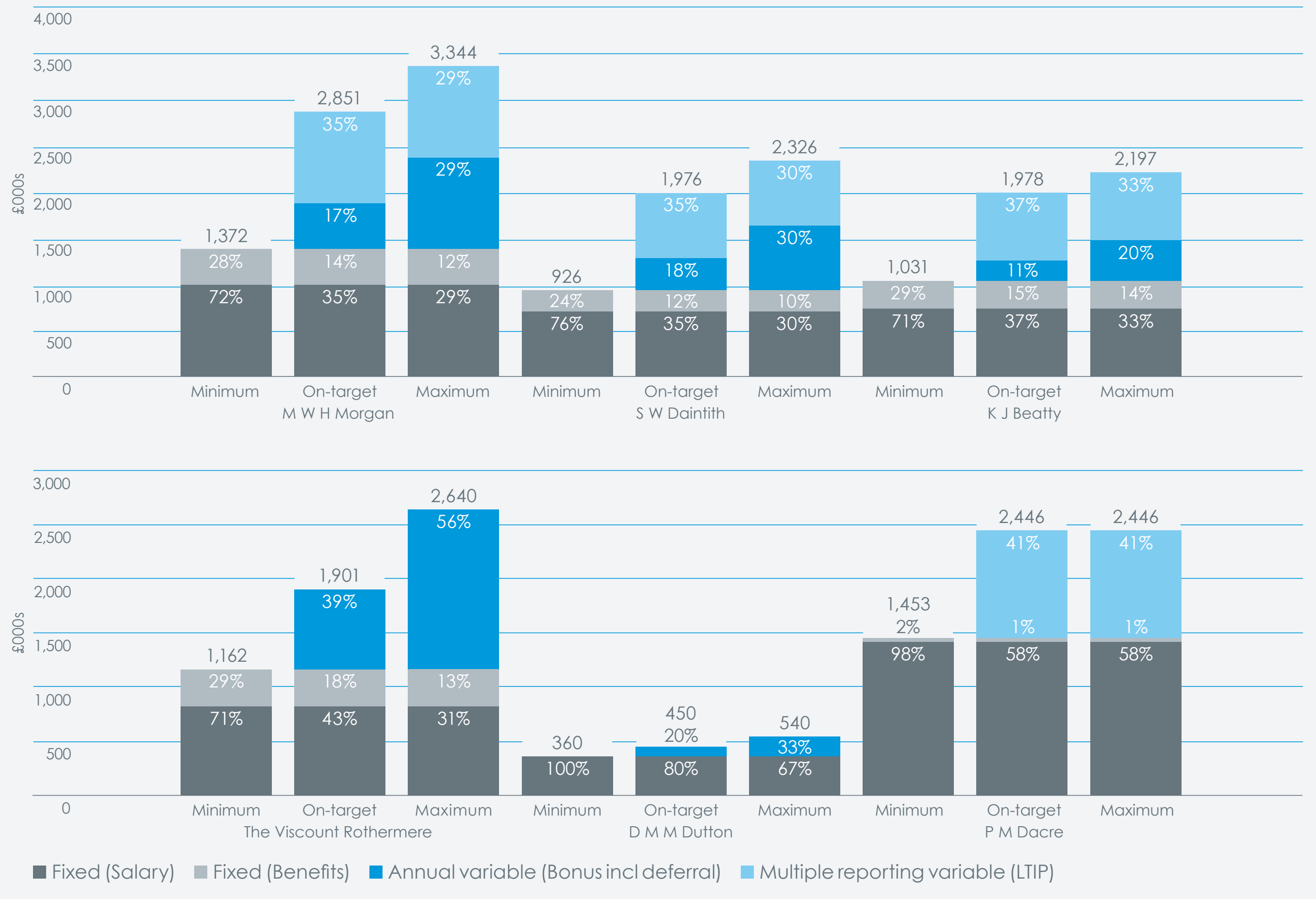
Purpose	To focus Executive Directors on the delivery of strategic priorities creating long-term value for the Company and shareholders. To encourage long-term shareholding and commitment to the Company. To link corporate performance to management's reward, drive long-term earnings and share price growth.
Operation	The current plan was approved by shareholders on 6 February 2012. Awards are delivered through a Conditional Share Award. Policy Amendment: Awards generally have a five-year vesting period, but a shorter period may apply if the Committee determines it to be appropriate having regard to the relevant strategic imperatives. The extent of vesting at the end of the performance period is determined by the measurement of the extent to which performance targets have been met. The Committee has discretion, within the Plan Rules, to make adjustments taking into account exceptional factors that distort underlying business performance. Following the realisation of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares will be made. Under the rules of the 2012 LTIP, clawback of vested and unvested awards is possible in the event of material misstatement of information or misconduct.
Levels	Martin Morgan, Stephen Daintith and Kevin Beatty are eligible to receive a standard award of 100% of salary annually. Policy Amendment: Paul Dacre is eligible to receive a standard award of 70% of salary from FY 2015. Lord Rothermere and David Dutton do not participate in the LTIP. The Plan Rules allow for a maximum award to be made of up to 300% of salary in exceptional circumstances. As detailed during shareholder consultation when the Plan was adopted, a 100% payout at target performance (which is above threshold) is envisaged.
Performance framework	In accordance with the Plan Rules, the Committee may set different performance measures, in terms of type of measure and the weighting given to each measure, for awards granted on different dates, provided that such measures are aligned with the Company's strategic goals and with the interests of its shareholders. The performance measures are designed to reflect progress towards the achievement of key strategic goals which may vary from year to year. The Committee sets targets in accordance with its strategic planning. The Board considers the specific targets for each measure to be commercially sensitive. Performance against targets will be disclosed at the time the awards vest.
Implementation	The awards made under the LTIP in 2013 is reported in detail in table 7 on page 57. No changes were made to the awards made under the LTIP policy in FY 2014. The strategic goals for the FY 2013 and FY 2014 awards (to Martin Morgan; Stephen Daintith and Kevin Beatty) are: • grow B2B business; • continue to grow and invest in strong brands of digital consumer media – particularly MailOnline; • grow sustainable earnings and dividends; and • increase the Company's exposure to growth economies and to international opportunities. The 2014 LTIP award to Paul Dacre will (subject to approval of the policy and LTIP changes at the AGM) vest after three years with the performance conditions focused on the delivery of strategic objectives for the Mail businesses. Awards made in 2007 which vested in 2014 were made under the 2001 LTIP and were fully realised in June 2013. Details of the performance measures and the outcomes against targets for both awards are shown in tables 4.1 and 4.2 on pages 54 and 55. Outstanding awards will continue to vest according to the Rules of the Plans they were awarded under. Details of outstanding awards and their status are shown in detail in table 7 on page 57. No adjustments were made for performance periods ending in 2013 or in 2014. The award made to Stephen Daintith on recruitment vested in January 2014. Details of the outcome of the award are shown in table 7 on page 57.
Other employees	The LTIP for the Executive Directors forms the basis of annual awards for the head office Executives. Plans for Executives in other businesses across the Group are considered and approved by the Committee. Plans are designed to be appropriate to the stage of development of the business and to incentivise the achievement of the mid- to long-term strategic aims of the business in which they operate.

REMUNERATION REPORT
CONTINUED

Executive Directors

Policy report chart 1: Illustrations of application of Executive Directors' remuneration policy

The elements of remuneration have been categorised into three components: (i) Fixed; (ii) Annual variable; and (iii) Multiple reporting period variable, which are set out in the future policy table below:



Notes

Minimum in the graphs above is fixed remuneration only (salary, pension and benefits). On-target assumes that the standard Long-Term Incentive (LTI) award and target bonus have been awarded as stated in the policy table.

Maximum assumes that the standard LTI award and the maximum bonus have been awarded as stated in the policy table.

Graphs illustrate remuneration policy subject to a vote on 4 February 2015 for the period 1 October 2014 to 30 September 2015. Share awards valued at share price at date of award. No allowance is made for potential share price changes. Future share price changes form a key part of the remuneration linkage to performance and alignment of long-term shareholder returns.

Executive Directors

Policy report table 7: Executive Directors' service contracts

A summary of the notice periods and any obligation under the Executive Directors' service contracts is outlined in the table below:

	Date of contract	Notice period	Company with which contracted	Compensation on termination of employment by Company without notice or cause
The Viscount Rothermere	17 Oct 1994	3 months	Daily Mail and General Trust plc	Entitled to compensation equal to basic salary, benefits, pension entitlement and, as appropriate, a prorated bonus payment for the notice period.
M W H Morgan	1 Oct 2008	1 year	Daily Mail and General Trust plc	Entitled to compensation equal to basic salary, benefits, pension entitlement and, as appropriate, bonus for the notice period calculated as the average of the annual bonuses (if any) awarded in respect of the three complete financial years of the Company immediately preceding the financial year in which the employment terminates. LTIP will be treated in accordance with the Plan Rules. Contract is subject to mitigation and, in the event of the Director obtaining alternative employment during the notice period, does not provide for further payment after such event.
S W Daintith	1 Jan 2011	1 year	Daily Mail and General Trust plc	Entitled to compensation equal to basic salary, benefits, pension entitlement and, as appropriate, bonus for the notice period calculated as the average of the annual bonuses (if any) awarded in respect of the three complete financial years of the Company immediately preceding the financial year in which the employment terminates. LTIP will be treated in accordance with the Plan Rules. Contract is subject to mitigation and, in the event of the Director obtaining alternative employment during the notice period, does not provide for further payment after such event.
K J Beatty	19 May 2002	1 year	Associated Newspapers Limited	Entitled to compensation equal to basic salary, benefits, pension entitlement and, as appropriate, a prorated bonus payment for the notice period.
D M M Dutton	27 Nov 2002	1 year	Daily Mail and General Trust plc	Entitled to compensation equal to basic salary, benefits, pension entitlement and, as appropriate, a prorated bonus payment for the notice period.
P M Dacre	13 July 1998	1 year	Associated Newspapers Limited	Entitled to compensation equal to basic salary, benefits, pension entitlement and, as appropriate, a prorated bonus payment for the notice period.

REMUNERATION REPORT
CONTINUED

Executive Directors

Policy report table 8: Executive Directors' policy on payment for loss of office

Policy on setting of notice periods	The Company normally sets the notice period of Executive Directors as 12 months, but may decide to vary this in circumstances it deems appropriate.
How termination payments are determined	On termination, the Company will normally make a payment in lieu of notice (PILON) which is equal to the aggregate of: the basic salary at the date of termination for the applicable notice period; the pension allowance over the relevant period; the cost to the Company of providing all other benefits (excluding pension allowance and bonus) or a sum equal to the amount of benefits as specified in the Company's most recent Annual Report and a bonus payment calculated in accordance with the service contract of the Director. The treatment of the Long-Term Incentive Plan on termination will be in accordance with the rules of the Plan and, where appropriate, at the discretion of the Committee. The Company may pay the PILON either as a lump sum or in equal monthly instalments from the date on which the employment terminates until the end of the relevant period. If alternative employment (paid above a pre-agreed rate) is commenced, for each month that instalments of the PILON remain payable, the amounts, in aggregate (excluding the pension payment), may be reduced by half of one month's basic salary in excess of the pre-agreed rate. All leavers have to exit DMGT SharePurchase+ and either sell or transfer their shares. If identified as a 'Good Leaver', under the rules of DMGT SharePurchase+, no tax or NICs are paid.
Discretion	If identified as a 'Good Leaver', for the purposes of the bonus, the Committee may determine that the leaver's contribution was significant in early or high achievement of targets, in which case, it may decide to make a payment which is equivalent of up to a full year bonus. If identified as a 'Good Leaver' under the deferred bonus Plan Rules (including those identified at the discretion of the Committee), outstanding awards shall vest in full on the normal vesting date or on such earlier date as the Committee may determine. If identified as a 'Good Leaver' under the LTIP rules, (including those identified at the discretion of the Committee), outstanding awards may be exercised, either on the normal vesting date or on such earlier date as the Committee may determine, to the extent that they have vested. If, in the judgement of the Committee, greater progress towards achievement of targets has been made as a result of the performance of the Leaver, it may, at its absolute discretion, decide to vest up to 100% of the outstanding award. The Committee may also agree to make payments in respect of statutory employment claims, legal fees, outplacement and accrued holiday or sick leave.

Policy report table 9: Executive Directors' recruitment policy

Principles	When appointing or recruiting Executive Directors, the Company will normally aim to set remuneration at a level which is consistent with the remuneration policy in place for other Executive Directors and the previous incumbent of the role.
Details	The main components of remuneration will be salary, bonus, long-term incentives, pension (or cash pension allowance), benefits (which may include those relating to relocation such as: flights; immigration costs; relocation allowance; shipping and storage; temporary living accommodation; housing allowances; annual leave travel; international medical insurance cover; legal and tax services; school fees; school search; movement of pets; termination of car leases and costs of replacement goods) and compensation for loss of earnings from his/her previous employment that are forfeited in order to take up the role. The approach for each component will be to try to set each in line with the remuneration policy for Executive Directors, except that the approach in respect of compensation for forfeit of remuneration in respect of a previous employer will be considered on a case-by-case basis taking into account all relevant factors such as performance achieved or likely to be achieved, the proportion of the performance period remaining and the form of the award.
Maximum	In order to secure the best candidate for the role, the Company may need to pay more than its existing Executive Directors. The maximum level of variable remuneration that may be granted will be 200% of salary under the bonus plan and 300% under the LTIP (these limits already apply to the existing bonus and LTIP plans). Pre-existing contractual agreements for internal candidates may be maintained on recruitment to an Executive Director role.

Executive Directors

Policy report table 10: Executive Directors' shareholding guidelines

Purpose	To align the interests of Executive Directors and shareholders.
Operation	Executive Directors are encouraged to build up a substantial shareholding in the Company. Shares which have been awarded subject to deferral or satisfaction of performance measures are not included in the calculation of the value of the Executive Director's shareholding.
Levels	The Committee recommends a minimum shareholding of 1.5x (150%) salary. There is no time frame over which the guidelines should be met.
Implementation	No change in the policy on shareholding guidelines in the year. Directors' interests are reported in detail in table 13 on page 71.
Other employees	There are no share ownership guidelines below Executive Director level, although UK employees are encouraged to become shareholders in the Company by participating in the DMGT SharePurchase+, the HMRC approved Share Incentive Plan.

Policy report table 11: Policy on external appointments for Executive Directors

The Company allows its Executive Directors to take a very limited number of outside directorships. Individuals retain the payments received from such services since these appointments are not expected to impinge on their principal employment. Martin Morgan was appointed to the Board of the City of London Investment Trust on 1 March 2012 and receives a fee of £25,000 p.a.

Policy report table 12: Consideration of shareholder views

The Committee receives annual updates on the views and best practices of shareholders and their representative bodies and notwithstanding the Company shareholder structure, takes these into account. The Committee seeks the views of shareholders on matters of remuneration that it thinks shareholders are interested in. A good example of this was the adoption of the 2012 Long-Term Incentive Plan, when major shareholders were consulted.

Policy report table 13: Consideration of conditions elsewhere in the Company

Pay and employment conditions elsewhere in the Company	The Committee considers conditions elsewhere in the Group when making decisions on remuneration matters affecting the Executive Directors. The Committee receives a report annually on the salary budget for each business. The Committee makes reference, where appropriate, to pay and employment conditions elsewhere in the Group, (whilst remaining aware of the variety of jurisdictions and markets in which it operates) when determining annual salary increases and to external evidence of remuneration levels in other companies.
Employee consultation and comparison metrics used	The Committee makes reference to data provided by and advice sought from internal and external advisers when making decisions on remuneration matters affecting the Executive Directors.

REMUNERATION REPORT CONTINUED

Non-Executive Directors: annual report on remuneration

Annual report on remuneration table 12: Single figure of remuneration paid to Non-Executive Directors – Audited

The table below sets out the single total figure of remuneration for each Non-Executive Director in 2014 and 2013. There is a basic Non-Executive Director fee of £35,000 p.a. Additional fees are paid for membership and chairmanship of sub-committees and subsidiary Boards.

Travel allowances of £4,000 are paid for travel involving between five and 10 hours and £10,000 for meetings involving more than 10 hours' travel.

	2014			2013		
	Fees £000	Travel allowance £000	Total £000	Fees £000	Travel allowance £000	Total £000
F P Balsemão	**39**	**20**	**59**	39	–	39
N W Berry	**84**	**20**	**104**	74	5	79
T S Gillespie[1]	**–**	**–**	**–**	12	5	17
J G Hemingway	**78**	**20**	**98**	78	–	78
Lady Keswick	**35**	**20**	**55**	1	–	1
A H Lane	**60**	**20**	**80**	41	–	41
D H Nelson	**119**	**20**	**139**	102	10	112
K A H Parry[2]	**18**	**20**	**38**	–	–	–
H Roizen[3]	**96**	**70**	**166**	72	50	122
D Trempont[3]	**148**	**66**	**214**	114	50	164
D J Verey[4]	**25**	**–**	**25**	73	15	88
Total	**702**	**276**	**978**	606	135	741

Notes
1. Tom Gillespie retired from the Board on 6 February 2013.
2. Kevin Parry joined the Board in May 2014.
3. Heidi Roizen is a member of the MailOnline Advisory Board and Dominique Trempont is a member of the RMS Board. Fees shown above include the fees and travel allowances for their participation on these Boards.
4. David Verey retired from the Board in February 2014.

Non-Executive Directors: remuneration policy

Policy report table 14: Non-Executive Directors' fees

Purpose	The Board's policy is to pay Non-Executive Director fees which are reflective of responsibilities and competitive with peer companies.
Operation	Non-Executive Directors' fees are reviewed regularly. The Board as a whole considers and approves the fees of the Non-Executive Directors.
Levels	The fees for the Non-Executive Directors are paid at the rates as shown below: Board member £35,000 p.a.; Audit Committee Chairman £30,000 p.a.; Audit Committee member £14,000 p.a.; Risk Committee member £8,000 p.a.; Investment and Finance Committee member £25,000 p.a. and Nominations Committee member £4,000 p.a. David Nelson and Nicholas Berry receive £25,000 and £22,000 respectively for their work in relation to the Remuneration Committee. In addition a travel allowance is payable of £4,000 for travel involving between five and 10 hours and £10,000 for travel involving more than 10 hours. Policy amendment: From FY 2015, David Nelson will receive £40,000 p.a. for his work in relation to the Remuneration Committee; a fee of £20,000 p.a. will be paid to members of the Pensions Sub-Committee and additional fees may be paid to members of ad hoc sub-committees that meet more than three times during a year.
Performance framework	Continued appointment.
Implementation	No changes were made to fees during the year. The actual fees paid to the Non-Executive Directors in FY 2014 are shown in table 12 above.
Other employees	N/A

Non-Executive Directors

Policy report table 15: Policy applied to Non-Executive Directors

Terms of appointment	Non-Executive Directors are appointed for specified terms and under the Company's Articles of Association are subject to re-election by ordinary shareholders at the Annual General Meeting (AGM) following appointment. The Board has adopted the provision in the Code that they be subject to annual re-election. Each appointment can be terminated before the end of the one-year period with no notice or fees due.			
Dates of appointment/ reappointment	F P Balsemão	5 Feb 2014	D H Nelson	5 Feb 2014
	N W Berry	5 Feb 2014	K A H Parry	22 May 2014
	J G Hemingway	5 Feb 2014	H Roizen	5 Feb 2014
	Lady Keswick	5 Feb 2014	D Trempont	5 Feb 2014
	A H Lane	5 Feb 2014		
Appointments and re-election	All Directors will be standing for re-election at the forthcoming AGM.			

Annual report on remuneration: Directors' shareholdings

Annual report on remuneration table 13: Statement of Directors' shareholding and share interests – Audited

The number of shares of the Company in which current Directors or their families had a beneficial interest and details of long-term incentive (LTI) interests as at 30 September 2014 are set out in the table below. The value as a multiple of salary has been calculated using the 30 September 2014 share price of £7.68.

As at 30 September 2014	Ordinary	A Ordinary Non-Voting	LTI interests not subject to performance conditions[1]	Value (as a multiple of salary)[2]	Guideline met	LTI interests subject to performance conditions[3]	Options subject to performance conditions[4]	Total outstanding interests[5]
Beneficial								
The Viscount Rothermere	19,890,364[6]	64,331,183	427,680	816.0	Yes	–	60,000	487,680
M W H Morgan	–	1,062,039	181,396	10.0	Yes	804,474	20,000	1,005,870
S W Daintith	–	12,411	70,046	0.9	No	345,705	–	415,751
D M M Dutton	–	282,574	–	6.2	Yes	–	40,000	40,000
P M Dacre	–	–	–	–	No	–	80,000	80,000
K J Beatty	–	55,063	184,503	2.6	Yes	630,141	30,000	844,644
J G Hemingway	–	200,022						
K A H Parry	–	5,711						
D J Verey	–	22,312						
	19,890,364	**65,971,315**	**863,625**			**1,780,320**	**230,000**	**2,873,945**
Non-beneficial								
The Viscount Rothermere	–	5,554,000						
J G Hemingway	–	5,554,500						
D H Nelson	–	212,611						
	–	**11,307,111**						
Total Directors' interests	**19,890,364**	**77,292,926**						
Less duplications	–	(5,752,611)						
	19,890,364	**71,525,815**						

Notes

1. The LTI interests not subject to performance conditions are the nil cost options awarded as the bonus deferral; full details can be found in table 5 on page 55.
2. The Value as a multiple of salary includes LTI interests not subject to performance conditions.
3. The LTI interests subject to performance conditions are detailed in table 7 on page 57 and include those shares which have vested but are not realisable as well as those that are outstanding. The figure also includes all of the matching shares that were awarded under the 2009 and 2010 LTIP awards. Details of these awards are in tables 6.1 and 6.2 on page 56.
4. The Options subject to performance conditions are Options granted under the 1997 Executive Share Option Scheme detailed in table 8 on page 58.
5. Total outstanding interests are the sum of the LTI interests (both subject to and not subject to performance conditions) and options subject to performance conditions.
6. The Company has been notified that under sections 793 and 824 of the Companies Act 2006, Lord Rothermere was deemed to have been interested as a shareholder in 19,890,364 Ordinary Shares at 30 September 2014.

At 30 September 2014, Lord Rothermere was beneficially interested in 756,700 Ordinary Shares of Rothermere Continuation Limited, the Company's ultimate holding company.

The figures in the table above include shares purchased by participants in the DMGT 2010 Share Incentive Plan. For Martin Morgan, Stephen Daintith, Kevin Beatty and David Dutton, purchase of shares were made between 30 September 2014 and 30 November 2014. These purchases increased the beneficial holdings of these Executive Directors by 17 shares for Martin Morgan and David Dutton and 16 shares for Stephen Daintith and Kevin Beatty.

REMUNERATION REPORT
CONTINUED

Annual report on remuneration: Directors' shareholdings continued

Annual report on remuneration table 14: Directors' interests in Euromoney – Audited

Executive Directors' beneficial shareholdings in Euromoney were as follows:

	30 Sep 2014
The Viscount Rothermere	24,248
M W H Morgan	7,532
Total Directors' interests	**31,780**

Disclosable transactions by the Group under IAS 24, Related Party Disclosures, are set out in Note 43 on page 166. There have been no other disclosable transactions by the Company and its subsidiaries with Directors of Group companies and with substantial shareholders since the publication of the last Annual Report.

Annual report on remuneration table 15: Voting at general meeting

The table below shows the advisory vote on the 2014 Remuneration Report at the February 2014 AGM. The Committee consults with major shareholder prior to any major changes.

	Votes for	%	Votes against	%	Abstentions	%
Remuneration Report	19,890,364	100%	–	0%	–	0%
Remuneration Policy	19,890,364	100%	–	0%	–	0%

Annual report on remuneration: Remuneration Committee activities

Annual report on remuneration table 16: Remuneration Committee attendance

	Member for the year	Meetings held	Meetings attended
The Viscount Rothermere	Yes	6	6
N W Berry	Yes	6	6
D H Nelson	Yes	6	6

Note
Lord Rothermere does not attend any part of a meeting while matters affecting his own remuneration are discussed.

Remuneration Committee role and activities

The Committee's responsibilities include Group remuneration policy; setting the remuneration; benefits and terms and conditions of employment of the Company's Executive Directors and other senior Executives. The Committee's terms of reference are available on the Company's website.

The Committee is chaired by Lord Rothermere with Committee members Nicholas Berry; David Nelson and from 1 October 2014, Heidi Roizen. The UK Corporate Governance Code (the Code) recommends that a Remuneration Committee should be composed entirely of independent Non-Executive Directors. The Board considers that, as the beneficiary of the Company's largest shareholder, Lord Rothermere's interests are fully aligned with other shareholders. The Committee is confident that its make-up ensures that it carries out all aspects of its role with proper and appropriate regard to long-term shareholders' interests and that this alignment is, in fact, stronger as a direct consequence of its membership.

The Committee spends a large portion of its time reviewing the remuneration and incentive plans of businesses which are diverse both in geography and sector. There are a variety of incentive plans requiring significant consideration and oversight, which are designed to reflect business type and stage of development, the market it operates in and aims to incentivise the delivery of its strategic plan. The Committee's objective is to combine the necessary attention to short-term financial performance, through annual bonus plans, with a stronger focus on the fundamentals that drive long-term growth, through long-term incentive schemes.

In November 2014, the Committee conducted a formal review of its effectiveness and concluded that it had fulfilled its remit and had been effective in the year.

Risk and reward

During the year, the Committee reviewed and confirmed that the plans in operation throughout the Group did not incentivise excessive risk and, in particular, that the remuneration incentives in the Company are compatible with its risk policies and systems.

Annual report on remuneration

Annual report on remuneration table 17: Details on matters discussed by the Committee during the course of the year

Details are given below on matters discussed by the Committee during the course of FY 2014.

Meeting	Regular standing agenda items	Other agenda items
November 2013	Approved FY 2013 outcome of Executive bonus scheme Approved FY 2014 Targets for Executive bonus scheme Discussed likely outcome of 2007 LTIP Approved December 2013 LTIP participants and performance conditions Approved December 2012 Option grants under 2006 ESOS Approved Remuneration Report	Approved delegated authority process for 'Good Leavers' of Executive Option Plan Approved RMS salary reviews and review of FY 2013 divisional bonuses awarded Approved new contract for RMS CEO Approved dmg media 2011 LTIP outcome
February 2014	Confirmed FY 2013 Executive bonuses and deferrals Confirmed December 2013 LTIP awards Approved outcome of 2007 LTIP Confirmed 2006 ESOS awards made December 2013 Shareholder feedback on Annual Report disclosures Update on the latest views of the ABI and NAPF	Approval of divisional bonuses Evenbase project accord transaction bonuses Other divisional compensation issues DMGT retirement policy Changes to the contribution level for SIP
May 2014		Approval of package for CEO, Daily Mail North America
June 2014	Forecast of FY 2014 Executive bonus outcome Initial discussion on FY 2015 bonus structure Approval of outcome for 2010 LTIP A review of salary review budgets across the Group	Policy for funding Executive share schemes Divisional incentives discussed Divisional Senior Executive appointments and packages approved Impact of recent changes in pension legislation discussed
September 2014	Forecast of FY 2014 Executive bonus outcome Discussion on FY 2015 bonus financial targets Draft personal objectives reviewed Salary review of the Executive Directors and head office Executives Divisional Senior Executive salary review (excluding RMS)	Divisional plans for approval Divisional Senior Executive remuneration arrangements discussed Approval of changes to Remuneration Committee delegated authorities Note of revisions to the UK Corporate Governance Code

Annual report on remuneration table 18: Advice to the Remuneration Committee

During 2014, the Committee was advised by MM&K, a specialist remuneration adviser, who was appointed by the Committee. MM&K also provided the Company with advice on share schemes, provided market data of remuneration levels for other companies, particularly in the media field and advice on best practice. Greenhill Associates also provided advice in relation to valuation of subsidiaries for the purpose of long-term incentive schemes.

The Committee regularly evaluates the contribution of its advisers and reviewed the scope of arrangements for its external advisers in July 2013. It concluded that the advice that it received from MM&K and Greenhill was independent and reappointed MM&K as its adviser. Fees paid to advisers to the Committee in relation to remuneration advice are shown below.

Adviser	Fees in relation to remuneration advice £000
MM&K	38
Greenhill	464

This report covers the reporting period to 30 September 2014 and has been prepared in accordance with the relevant requirements of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2014 (the Regulations) and of the Listing Rules of the Financial Services Authority. As required by the Regulations, a separate resolution to approve the policy and implementation reports will be proposed at the Company's AGM.

Audited information

The tables in the Annual Report on remuneration that have been subject to audit are clearly identified.

STATUTORY INFORMATION

Other statutory information

Required information can be found in the Strategic Report on pages 02 to 37, which is incorporated into this Report by reference. Information on the environment, employees, community and social issues is given in the Corporate Responsibility Review on pages 35 to 37.

Forward-looking statements

This Annual Report contains certain forward-looking statements with respect to principal risks and uncertainties facing the Group. By their nature, these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by those forward-looking statements. No assurances can be given that the forward-looking statements are reasonable as they can be affected by a wide range of variables.

The forward-looking statements reflect the knowledge and information available at the date of preparation of this Annual Report and will not be updated during the year. Nothing in this Annual Report should be construed as a profit forecast.

Tangible fixed assets and investments

The Company's principal subsidiaries are set out on page 170. Changes to the Group's tangible fixed assets and investments during the year are set out in Notes 22 to 25. There was no material difference in value between the book value and the market value of the Group's land and buildings.

Directors

The names of the Directors, plus brief biographical details are given on pages 38 and 39. Each Director held office throughout the year, David Verey retired from the Board at the 2014 AGM. Kevin Parry joined in the year.

In accordance with the UK Corporate Governance Code, all of the Directors will stand for re-election at the Annual General Meeting (AGM) on 4 February 2015.

Principal activities

A description of the principal activities of the Group and likely future developments and important events occurring since the end of the year are given in the Strategic Report on pages 02 to 37.

Results and dividends

The profit after taxation of the Group amounted to £283 million. After excluding the £20 million element attributable to non-controlling interests, the Group profit for the year attributable to owners of the Company amounted to £263 million. The Board recommends a final dividend of 14.20 pence per share. If approved at the 2015 AGM, the final dividend will be paid on 6 February 2015 to shareholders registered in the books of the Company at the close of business on 5 December 2014. Together with the interim dividend of 6.20 pence per share paid on 4 July 2014, this makes a total dividend for the year of 20.40 pence per share (2013 – 19.20 pence).

Directors' interests

The number of shares of the Company and of securities of other Group companies, in which the Directors, or their families, had an interest at the year end, are stated in the Remuneration Report on page 71.

Employee Benefit Trust

The Executive Directors of the Company, together with other employees of the Group, are potential beneficiaries of the DMGT Employee Benefit Trust (Trust) and, as such, are deemed to be interested in any A Shares held by the Trust. At 30 September 2014, the Trust's shareholding totalled 2,196,080 A Shares.

Between 30 September 2014 and 9 December 2014 the Trust transferred 4,903 A Shares to satisfy the exercise of awards under employee share plans.

Significant shareholdings

As at 9 December 2014, the Company had been notified of the following significant interests of the issued Ordinary Shares:

Rothermere Continuation Limited	100%

The Board regards holdings in the Company's securities of greater than 15% to be significant. There are no significant holdings in the Company's A Shares other than those shown in the Remuneration Report on page 71.

Share capital

The Company has two classes of shares. Its total share capital comprises 5% of Ordinary Shares and 95% of A Shares. Full details of the Company's share capital are given in Note 37.

Holders of Ordinary and A Shares are entitled to receive the Company's Annual Report. Holders of Ordinary Shares are entitled to attend and speak at General Meetings and to appoint proxies and exercise voting rights.

During the year, the Company transferred 3.8 million shares out of Treasury, representing 1.0% of called-up A Shares, in order to satisfy incentive schemes. The Company held 27,278,909, shares in Treasury and by the DMGT Employee Benefit Trust with a nominal value of £3.4 million at 30 September 2014. The maximum number of shares held in Treasury during the year was 27,278,909, which had a nominal value of £3.4 million. The Company also purchased 5.5 million shares for holding in Treasury having a nominal value of £0.7 million in order to match obligations under various incentive plans. The consideration paid for these shares was £49.0 million. Excluding the share buy-back programmes, shares purchased during the year represented 1.6% of the called-up A Share capital as at 30 September 2014.

On 9 December 2014 the Company held 5 million Treasury Shares following the cancellation of 22,716,762 Treasury Shares on 25 November 2014.

Details of allotments of share capital which arose solely from the exercise of options are given at Note 37.

Authority to purchase shares

At the Company's AGM on 5 February 2014, the Company was authorised to make market purchases of up to 37,384,334 A Shares representing approximately 10.0% of the total number of A Shares in issue.

During the period 4 December 2013 to 30 September 2014, under the share buy-back programme, the Company purchased 5,126,448 shares into Treasury, at a total cost of £42.1 million (see Note 37).

External Auditor and disclosure of information to the External Auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's External Auditor is unaware. 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 External Auditor is aware of that information.

The Company's External Auditor, Deloitte LLP, will stand down at the AGM in February 2015. A new audit firm, PricewaterhouseCoopers LLP, has indicated its willingness to serve and, in accordance with Section 489 of the Companies Act 2006, a resolution proposing the appointment of PricewaterhouseCoopers LLP will be put to the AGM on 4 February 2015.

Directors' indemnity
A qualifying third-party indemnity (QTPI), as permitted by the Company's Articles of Association and Sections 232 and 234 of the Companies Act 2006, has been granted by the Company to each of the Directors of the Company. Under the provisions of the QTPI the Company undertakes to indemnify each Director against liability to third parties (excluding criminal and regulatory penalties) and to pay Directors' costs as incurred, provided that they are reimbursed to the Company if the Director is found guilty or, in an action brought by the Company, judgment is given against the Director.

Going concern
A full description of the Group's business activities, financial position, cash flows, liquidity position, committed facilities and borrowing position, together with the factors likely to affect its future development and performance, is set out in the Strategic Report, particularly the Financial Review on pages 26 to 29 and in the notes to the accounts on page 88.

The Group has significant financial resources and the Directors, having reviewed the Group's operating budgets, investment plans and financing arrangements, have assessed the future funding requirements of the Group and compared this to the level of committed facilities and cash resources. The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. Accordingly, the Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the Annual Report.

Directors' responsibilities
The Directors are responsible for preparing the Annual Report, the Directors' Report on Remuneration and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have prepared the Group Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent Company Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

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

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

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions. Each of the Directors confirms that, to the best of his/her knowledge:

- the Group Financial Statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Strategic Report contained on pages 02 to 37 includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Relationship agreements
Daily Mail and General Trust plc entered into a Relationship Deed with Euromoney Institutional Investor plc on 16 July 2014 and Zoopla Property Group Plc on 5 June 2014 in accordance with the Listing Rules and have acted in accordance with the terms of the Deeds since execution.

Charitable and political donations
The Company made charitable donations of £1.2 million during the period. In the prior year, the Company donated over £1.3 million. No political donations were made during the period.

Principal risk factors
These risks and how they are being managed or mitigated are shown on pages 30 to 33. The Directors have reviewed the Group's principal risks including those that would threaten the Group's business model, future performances, solvent or liquidity.

Events after the balance sheet date 9 December 2014
Details are provided in Note 44.

Material contracts
Group companies undertake business with a range of customers and suppliers. There is no dependence on any particular contractual arrangement other than those disclosed in Note 40 as regards ink and printing, where arrangements are in place until 2020 and 2024 respectively to obtain competitive prices and to secure supplies.

As regards the Group's principal commodity, newsprint, arrangements are made biannually with a range of suppliers to ensure the security of supply at the best available prices, having regard to the need for the necessary quality. Particularly in light of its strategy to create a diversified international portfolio of businesses, the Group is not dependent on any supplier of other commodities for its revenue or any particular customer. Distribution arrangements are in place to ensure the delivery of newspapers to retail outlets.

Creditor payment policy
The Company has no trade creditors (2013 nil). The Group is responsible for agreeing the terms and conditions including terms of payment under which business transactions with the Group's suppliers are conducted. Whilst the Group does not follow any single external code or standard, in line with Group policy, payments to suppliers are made in accordance with agreed terms and conditions.

STATUTORY INFORMATION CONTINUED

Employees
Details in respect of employees are in the Corporate Responsibility Review on pages 35 to 37.

Articles of Association
The appointment and replacement of Directors is governed by the Company's Articles of Association. Any changes to the Articles of Association must be approved by the shareholders in accordance with the legislation in force from time to time.

The Directors have authority to issue and allot A Shares pursuant to article 9 of the Articles of Association and shareholder authority is requested at each AGM. The Directors have authority to make market purchases of A Shares. This authority is also renewed annually at the AGM.

Conflicts of interest
The Articles of Association permit the Board to authorise any matter which would otherwise involve a Director breaching his duty under the Companies Act 2006 to avoid conflicts of interest.

When authorising a conflict of interest the Board must do so without the conflicting Director counting as part of the quorum. In the event that the Board considers it appropriate, the conflicted Director may be permitted to participate in the debate, but will neither be permitted to vote nor count in the quorum when the decision is being agreed. The Directors are aware that it is their responsibility to inform the Board of any potential conflicts as soon as possible and procedures are in place to facilitate disclosure. The Board reviews its position on conflicts of interest annually and at such other times as are appropriate.

Change of control
The Company is not party to any significant agreements that would take effect, alter or terminate upon a change of control of the Company following a takeover bid. However, certain of the Group's third-party funding arrangements would terminate upon a change of control of the Company.

The Company does not have agreements with any Director or employee providing compensation for loss of office or employment that occurs because of a takeover bid, except for provisions in the rules of the Company's share schemes which may result in options or awards granted to employees to vest on a takeover.

Transactions with Directors
No transaction, arrangement or agreement required to be disclosed in terms of the Companies Act 2006 and IAS 24, 'Related Parties' was outstanding at 30 September 2014, or was entered into during the year for any Director and/or connected person except as detailed in Note 43 (2013 none).

Annual General Meeting
The AGM will be held at 9.00 am on Wednesday 4 February 2015 at Northcliffe House, 2 Derry Street, London W8 5TT. The resolutions to be put to the meeting are set out on page 77. A notice of meeting will be issued to the holders of Ordinary Shares and their nominees only. Only Ordinary Shareholders will be entitled to attend. The External Auditor, Deloitte LLP, will stand down following the 2014 audit.

A resolution to appoint the Group's new External Auditor PricewaterhouseCoopers LLP, will be proposed at the 2015 AGM.

By order of the Board

Claire Chapman
General Counsel & Company Secretary

ANNUAL GENERAL MEETING 2015: RESOLUTIONS

The Company's Annual General Meeting (AGM), will be held at 9.00 am on 4 February 2015. Only the holders of Ordinary Shares are entitled to attend and vote. For information, below are the resolutions that will be put to the Ordinary Shareholders at the AGM. The results will be posted on the Company's website following the meeting in the usual way.

As ordinary business

Report and Accounts

1. To receive the Directors' Report, the Accounts and the Auditor's Report for the financial year ended 30 September 2014.

Remuneration Report

2. (a) To receive and approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy referred to in Resolution 2(b) below) contained within the Annual Report for the financial year ended 30 September 2014.

   (b) To receive and approve the Directors' Remuneration Policy set out on pages 61 to 71 of the Directors' Remuneration Report contained within the Annual Report for the financial year ended 30 September 2014, such Directors' Remuneration Policy to take effect from the date it is approved by shareholders.

Rules of the Daily Mail and General Trust 2012 Long-Term Incentive Plan

3. That the Rules of the Daily Mail and General Trust 2012 Long-Term Incentive Plan ("2012 LTIP") be and are hereby amended:

   (a) By the replacement of the definition of "Performance Period" in Rule 1.1 with the following new definition:

   "the period, determined by the Committee and specified in the Award Certificate, over which the Performance Conditions normally apply and which shall be not less than five years unless the Committee determines in its absolute discretion that a shorter period is appropriate, in which case it shall not be less than three years"; and

   (b) By the replacement of paragraph (e) of Rule 2.4 with the following:

   "the Normal Vesting Date for the Award (or for each part of the Award), which shall be no earlier than the date on which the audited results for the last Financial Year of the Performance Period are first known)".

Dividend

4. To declare a final dividend on the Ordinary and A Ordinary Non-Voting Shares (A Shares).

Directors

5. To elect Mr Parry as Director.

6. To re-elect the Viscount Rothermere, Mr Morgan, Mr Daintith, Mr Beatty, Mr Dacre, Mr Dutton, Mr Balsemão, Mr Berry, Mr Hemingway, Lady Keswick, Mr Lane, Mr Nelson, Ms Roizen and Mr Trempont as Directors.

Auditor

7. To appoint PricewaterhouseCoopers LLP as External Auditor.

8. To authorise the Directors to determine the External Auditor's remuneration.

As special business

9. That the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 693(3)of the Act) on the London Stock Exchange of up to:

   (a) aggregate of 37,197,806 A Shares of 12.5 pence each in its share capital at not more than the lower of 5% above the average of the middle market quotation taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase and £18.75 per share and at not less than 12.5 pence per share (in each case exclusive of expenses);

   (b) and that the authority conferred by this Resolution shall expire on the date of the AGM next held after the passing of this Resolution (except in relation to the purchase of shares the contract for which was concluded before such date and which would or might be executed wholly or partly after such date);

   (c) and that upon the passing of this Resolution, the Resolution passed as Resolution 10 at the AGM on 5 February 2014 shall be of no further force or effect.

10. That the Directors be generally and unconditionally authorised pursuant to Section 551 of the Act to:

   (a) allot A Shares in the Company, and to grant rights to subscribe for or to convert any security into A Shares in the Company up to an aggregate nominal amount of £2,324,863 for a period expiring (unless previously renewed, varied or revoked by the Company in a general meeting) at the next AGM of the Company after the date on which this Resolution is passed or on 6 May 2015 whichever is the earlier; and

   (b) make an offer or agreement which would or might require A Shares to be allotted, or rights to subscribe for or convert any security into A Shares to be granted, after expiry of this authority and the Directors may allot A Shares and grant rights in pursuance of that offer or agreement as if this authority had not expired.

11. That the Directors be generally empowered pursuant to Section 570 and Section 573 of the Act to allot A Shares or grant rights to subscribe for or to convert any security into A Shares, for cash, pursuant to the authority conferred by Resolution 10 and/or where the allotment is treated as an allotment of such securities under Section 560(3) of the Act, as if Section 561(1) of the Act did not apply to the allotment. This power:

   (a) expires (unless previously renewed, varied or revoked by the Company in a general meeting) at the next AGM of the Company after the date on which this Resolution is passed or on 6 May 2015, whichever is the earlier, but the Company may make an offer or agreement which would or might require such securities to be allotted after expiry of this power and the Directors may allot such securities in pursuance of that offer or agreement as if this power had not expired; and

   (b) shall be limited to the allotment of such securities for cash up to an aggregate nominal amount of £2,324,863.

Notice

12. That, a general meeting other than an AGM may be called on not less than 14 clear days' notice.

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the members of Daily Mail and General Trust plc

Opinion on Financial Statements of Daily Mail and General Trust plc

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 September 2014 and of the Group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

The Financial Statements comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement, the related Notes 1 to 45, the parent Company Balance Sheet and the related Notes 1 to 17. The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent Company Financial Statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 1 to the Group Financial Statements, in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, the Group has also applied IFRSs as issued by the International Accounting Standards Board (IASB). In our opinion the Group Financial Statements comply with IFRSs as issued by the IASB.

Going concern

As required by the Listing Rules we have reviewed the Directors' statement on page 75 that the Group is a going concern. We confirm that:

- we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. The list of these risks remains consistent with the prior year:

Risk	How the scope of our audit responded to the risk
Impairment reviews of goodwill, intangible assets, property plant and equipment, joint ventures and associates As set out in Notes 20 and 21, the Group has £765 million of goodwill and a further £361 million of other intangible assets on the balance sheet as at 30 September 2014. Management is required to carry out an annual impairment test, which is judgemental and based on a series of assumptions. Impairment charges of £65 million were recorded in the year, of which £45 million related to computer software within RMS (RMS(one)).	We challenged management's assumptions for each of their impairment reviews, particularly focusing on the future cash flow projections, discount rates, long-term growth rates and the sensitivities described in Notes 20 and 21 to the Financial Statements. To do this we: • used internal valuation specialists to independently develop expectations for discount rates used; • reviewed Board-approved budgets and forecasts, as well as assessing the historical accuracy of management's forecasts; and • compared long-term growth rates against external market data where applicable. We particularly focused our attention on the Group's capitalised development costs in RMS. In respect of the impairment model for this asset we assessed the reasonableness of the incremental revenues anticipated to arise from, and the rate of migration of existing customers to, the new platform being developed. We considered the time frame and future costs for completion of the development, the future operating cost base and the discount rate used.
Accounting for acquisitions and disposals The Group has made a number of acquisitions and disposals in the period, which are set out in Notes 16 and 17. The accounting for each of these involves judgement and is based on assumptions about the fair value of assets and liabilities acquired, and the consideration paid or received. Acquisitions in the period totalled £165 million and disposals £64 million.	We carried out testing of all significant sale and purchase agreements made in the year. In particular we focused on: • the appropriateness of management's identification of assets acquired; • assessing the fair value of the intangible assets acquired, including auditing management's methodologies, challenging management's assumptions over royalty rates, attrition of customers, useful economic lives and future cash flow projections; • verified the consideration paid for acquisitions, including any deferred or contingent consideration and the allocation of that to the individual assets acquired; and • for disposals, verified the assets and liabilities disposed of, the costs of disposal and consideration received. We have also evaluated the presentation and disclosure of the transactions within the Group Financial Statements.

Risk	How the scope of our audit responded to the risk
Revenue recognition The Group's policy on revenue recognition is set out in Note 2 to the Financial Statements. The risk is focused on accounting for new forms of contract or changes to existing contracts and this varies for each type of business.	We reviewed significant new revenue contracts to identify any unusual terms that would indicate a different revenue recognition criteria should be required. We tested the timing of revenue recognition in relation to existing contracts and the treatment of discounts, as well as assessing whether each was recognised gross or net depending on the contractual arrangements. This testing was performed by a combination of substantive testing, analytical procedures and assessing the revenue recognition policies.
Presentation of adjusted earning measures The Group makes a number of adjustments to profit which are detailed in Note 13 to the Financial Statements. This remains a significant risk, particularly over the completeness and validity of adjusting items. The Group's adjusted operating profit remains the key performance metrics for external stakeholders.	We note that the FRC has recently issued guidance on the use of adjusted measures and in light of that considered the appropriateness of the adjustments made to derive the adjusted profit measures set out in Note 13. We have assessed whether these adjustments were appropriately supported and presented on a consistent basis.
Capitalisation of internally generated IT costs As set out in Note 21, the Group capitalised £72 million of IT costs in the year to 30 September 2014. These costs need to satisfy the requirements of IFRS for capitalisation and any costs which do not meet these requirements should be expensed in the period in which they occurred.	We carried out testing relating to the costs capitalised in respect of the internally generated intangible assets set out in Note 21 to assess whether they meet the criteria of IAS 38, Intangible Assets. A particular area of focus was on costs capitalised in respect of RMS(one), particularly challenging management on whether any costs represented inefficiencies due to the postponed release of the product.
Recognition and measurement of deferred tax assets As set out in Note 36 to the Financial Statements the deferred tax asset totals £180 million. This remains a key area of focus due to the significance of the balance and reliance on forecast taxable profits for recognition.	We considered the appropriateness of management's assumptions and estimates in relation to the likelihood of generating suitable future taxable profits to support the recognition of deferred tax assets described in Note 36. Our work: • considered management's supporting forecasts and estimates; and • involved the use of tax specialists in concluding on the Group's ability to utilise future taxable profits in the manner planned.

The Audit Committee's consideration of these risks is set out on pages 45 to 48.

Our audit procedures relating to these matters were designed in the context of our audit of the Financial Statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the Financial Statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality
We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £10 million (2013 £10 million), which is less than 5% of adjusted profit before tax and non-controlling interests, and less than 5% of statutory profit before tax. The methodology for materiality assessment remains consistent with prior year. Pre-tax profit has been adjusted for items disclosed in Note 13, notably impairment charges, amortisation of intangible assets arising on business combinations and profits on disposal of businesses. We consider this adjusted measure to be used by management and investors as a key driver of business value and a focus for shareholders.

We agreed with the Audit Committee that we would report to them all audit differences in excess of £200,000 (2013 £200,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

An overview of the scope of our audit
Our Group audit scope included audit work in all five divisions of the Group. Within these five divisions we have identified 24 locations (2013 24) of audit interest. Twelve of these were subject to full audit procedures (2013 12), and five were subject to specified audit procedures (2013 six) where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's business operations at those locations. These 17 locations represent the principal business units within the Group's five reportable segments and account for 83% of the Group's total assets (2013 88%), 94% of the Group's revenue (2013 95%) and 95% of the

INDEPENDENT AUDITOR'S REPORT CONTINUED

Group's adjusted profit before tax (2013 98%). They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above.

At the parent entity level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

The Group audit team follows a programme of planned site visits that is designed to ensure that the Senior Statutory Auditor or another senior member of the group audit team visits the majority of the full scope locations at least once a year. This year, the Group audit team visited seven of the 12 full scope locations. For the remaining components we attended key meetings by phone and discussed findings with component auditors.

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

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

Matters on which we are required to report by exception
Adequacy of explanations received and accounting records
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company Financial Statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration
Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Corporate Governance Statement
Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the Company's compliance with ten provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report
Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited Financial Statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' Statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of Directors and auditor
As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We also comply with International Standard on Quality Control 1 (UK and Ireland).

Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

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

Scope of the audit of the Financial Statements
An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Simon Letts (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and
Statutory Auditor
London, UK
9 December 2014

CONSOLIDATED INCOME STATEMENT

For the year ending 30 September 2014

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 Restated (Note 2) £m
CONTINUING OPERATIONS			
Revenue	3	**1,811.2**	1,674.2
Operating profit before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations and impairment of property, plant and equipment and investment property	3	**296.2**	280.3
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property	3	**(71.9)**	(31.3)
Amortisation and impairment of goodwill and acquired intangible assets arising on business combinations	3, 20,21	**(40.3)**	(35.5)
Operating profit before share of results of joint ventures and associates	3, 4	**184.0**	213.5
Share of results of joint ventures and associates	3, 7	**14.3**	5.3
Total operating profit		**198.3**	218.8
Other gains and losses	8	**138.9**	27.6
Profit before net finance costs and tax		**337.2**	246.4
Investment revenue	9	**10.1**	3.1
Finance costs	10	**(80.3)**	(71.0)
Net finance costs		**(70.2)**	(67.9)
Profit before tax		**267.0**	178.5
Tax	11	**(18.3)**	(34.2)
Profit after tax from continuing operations		**248.7**	144.3
DISCONTINUED OPERATIONS			
Profit from discontinued operations	18	**34.3**	43.7
PROFIT FOR THE YEAR		**283.0**	188.0
Attributable to:			
Owners of the Company	38	**262.9**	164.6
Non-controlling interests*	39	**20.1**	23.4
Profit for the year		**283.0**	188.0
Earnings per share	14		
From continuing operations			
Basic		**61.4p**	32.1p
Diluted		**60.2p**	31.2p
From discontinued operations			
Basic		**9.2p**	11.5p
Diluted		**9.1p**	11.3p
From continuing and discontinued operations			
Basic		**70.6p**	43.6p
Diluted		**69.3p**	42.5p
Adjusted earnings per share			
Basic		**55.7p**	49.9p
Diluted		**54.6p**	48.5p

* All attributable to continuing operations

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ending 30 September 2014

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 Restated (Note 2) £m
Profit for the year		**283.0**	188.0
Items that will not be reclassified to Consolidated Income Statement			
Actuarial (loss)/gain on defined benefit pension schemes	34, 38, 39	**(49.9)**	94.3
Tax relating to items that will not be reclassified to Consolidated Income Statement		**9.9**	(30.8)
Total items that will not be reclassified to Consolidated Income Statement		**(40.0)**	63.5
Items that may be reclassified subsequently to Consolidated Income Statement			
Gains on hedges of net investments in foreign operations	38, 39	**1.8**	2.4
Cash flow hedges:			
Losses arising during the year	38, 39	**(1.6)**	(3.4)
Transfer of loss on cash flow hedges from translation reserve to Consolidated Income Statement	38, 39	**1.2**	2.2
Translation reserves recycled to Consolidated Income Statement on disposals	17, 38	**(1.9)**	(2.5)
Foreign exchange differences on translation of foreign operations	38, 39	**12.4**	(4.4)
Total items that may be reclassified subsequently to Consolidated Income Statement		**11.9**	(5.7)
Other comprehensive (expense)/income for the year		**(28.1)**	57.8
Total comprehensive income for the year		**254.9**	245.8
Attributable to:			
Owners of the Company		**237.8**	223.3
Non-controlling interests		**17.1**	22.5
		254.9	245.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ending 30 September 2014

	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Translation reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 30 September 2012	**49.1**	**13.5**	**1.1**	**(43.8)**	**(32.6)**	**169.1**	**156.4**	**95.3**	**251.7**
Profit for the year	–	–	–	–	–	164.6	164.6	23.4	188.0
Other comprehensive income for the year (Restated Note 2)	–	–	–	–	(4.4)	63.1	58.7	(0.9)	57.8
Total comprehensive income for the year (Restated Note 2)	–	–	–	–	(4.4)	227.7	223.3	22.5	245.8
Issue of share capital	0.1	2.8	–	–	–	–	2.9	2.3	5.2
Expenses incurred in relation to scheme of arrangement	–	–	–	–	–	(1.5)	(1.5)	–	(1.5)
Dividends	–	–	–	–	–	(69.6)	(69.6)	(9.1)	(78.7)
Own shares acquired in the year	–	–	–	(94.6)	–	–	(94.6)	–	(94.6)
Own shares released on vesting of share options	–	–	–	21.8	–	–	21.8	–	21.8
Other transactions with non-controlling interests	–	–	–	–	–	–	–	1.4	1.4
Adjustment to equity following increased stake in controlled entity	–	–	–	–	–	(16.1)	(16.1)	0.6	(15.5)
Adjustment to equity following decreased stake in controlled entity	–	–	–	–	–	(0.7)	(0.7)	0.7	–
Credit to equity for share-based payments	–	–	–	–	–	12.5	12.5	0.3	12.8
Settlement of exercised share options of subsidiaries	–	–	–	–	–	(11.0)	(11.0)	–	(11.0)
Initial recording of put options granted to non-controlling interests in subsidiaries	–	–	–	–	–	(3.0)	(3.0)	(1.3)	(4.3)
Corporation tax on share-based payments	–	–	–	–	–	1.4	1.4	0.7	2.1
Deferred tax on other items recognised in equity (Restated Note 2)	–	–	–	–	–	1.3	1.3	0.2	1.5
At 30 September 2013	**49.2**	**16.3**	**1.1**	**(116.6)**	**(37.0)**	**310.1**	**223.1**	**113.6**	**336.7**
Profit for the year	–	–	–	–	–	262.9	262.9	20.1	283.0
Other comprehensive income for the year	–	–	–	–	14.3	(39.4)	(25.1)	(3.0)	(28.1)
Total comprehensive income for the year	–	–	–	–	14.3	223.5	237.8	17.1	254.9
Issue of share capital	–	1.5	–	–	–	–	1.5	0.8	2.3
Expenses incurred in relation to scheme of arrangement	–	–	–	–	–	0.2	0.2	–	0.2
Dividends	–	–	–	–	–	(72.8)	(72.8)	(9.7)	(82.5)
Own shares acquired in the year	–	–	–	(105.9)	–	–	(105.9)	(6.9)	(112.8)
Financial liability for closed period purchases	–	–	–	(20.0)	–	–	(20.0)	–	(20.0)
Own shares released on vesting of share options	–	–	–	23.4	–	–	23.4	–	23.4
Exercise of acquisition put option commitments	–	–	–	–	–	0.1	0.1	(0.1)	–
Other transactions with non-controlling interests	–	–	–	–	–	–	–	0.2	0.2
Adjustment to equity following increased stake in controlled entity	–	–	–	–	–	2.3	2.3	(2.3)	–
Adjustment to equity following decreased stake in controlled entity	–	–	–	–	–	(2.9)	(2.9)	2.9	–
Credit to equity for share-based payments	–	–	–	–	–	9.6	9.6	0.7	10.3
Settlement of exercised share options of subsidiaries	–	–	–	–	–	(5.7)	(5.7)	–	(5.7)
Initial recording of put options granted to non-controlling interests in subsidiaries	–	–	–	–	–	(19.6)	(19.6)	–	(19.6)
Non-controlling interest recognised on acquisition	–	–	–	–	–	–	–	0.9	0.9
Corporation tax on share-based payments	–	–	–	–	–	1.8	1.8	0.9	2.7
Deferred tax on other items recognised in equity	–	–	–	–	–	(0.1)	(0.1)	(0.3)	(0.4)
At 30 September 2014	**49.2**	**17.8**	**1.1**	**(219.1)**	**(22.7)**	**446.5**	**272.8**	**117.8**	**390.6**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2014

	Note	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
ASSETS				
Non-current assets				
Goodwill	20	**764.6**	731.5	687.1
Other intangible assets	21	**360.7**	325.3	281.4
Property, plant and equipment	22	**197.7**	208.6	238.1
Investment property	23	**4.3**	5.4	6.8
Investments in joint ventures	24	**0.5**	134.9	137.3
Investments in associates	24	**138.6**	50.7	11.5
Available-for-sale investments	25	**6.8**	2.7	1.5
Trade and other receivables	27	**6.8**	11.2	14.6
Derivative financial assets	33	**20.0**	21.2	24.6
Retirement benefit assets	34	**6.4**	–	–
Deferred tax assets	36	**180.4**	170.9	204.7
		1,686.8	1,662.4	1,607.6
Current assets				
Inventories	26	**23.9**	25.2	28.3
Trade and other receivables	27	**289.0**	302.8	328.7
Current tax receivable	30	**9.4**	9.5	3.6
Derivative financial assets	33	**2.9**	18.9	8.9
Cash and cash equivalents	28	**28.5**	87.9	104.7
Total assets of businesses held-for-sale	19	**75.5**	9.1	71.7
		429.2	453.4	545.9
Total assets		**2,116.0**	2,115.8	2,153.5
LIABILITIES				
Current liabilities				
Trade and other payables	29	**(659.5)**	(711.9)	(656.8)
Current tax payable	30	**(12.4)**	(17.2)	(20.8)
Acquisition put option commitments	31	**(2.1)**	(0.8)	(4.5)
Borrowings	32	**(156.3)**	(2.0)	(49.9)
Derivative financial liabilities	33	**(4.1)**	(0.9)	(14.1)
Provisions	35	**(82.5)**	(55.3)	(34.2)
Total liabilities of businesses held-for-sale	19	**(23.4)**	(4.2)	(33.6)
		(940.3)	(792.3)	(813.9)
Non-current liabilities				
Trade and other payables	29	**(1.9)**	(4.1)	(8.1)
Acquisition put option commitments	31	**(32.2)**	(15.0)	(4.1)
Borrowings	32	**(475.7)**	(674.3)	(678.1)
Derivative financial liabilities	33	**(13.9)**	(23.9)	(34.9)
Retirement benefit obligations	34	**(218.2)**	(207.7)	(324.4)
Provisions	35	**(22.0)**	(40.0)	(14.4)
Deferred tax liabilities	36	**(21.2)**	(21.8)	(23.9)
		(785.1)	(986.8)	(1,087.9)
Total liabilities		**(1,725.4)**	(1,779.1)	(1,901.8)
Net assets		**390.6**	336.7	251.7

At 30 September 2014

	Note	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
SHAREHOLDERS EQUITY				
Called-up share capital	37	**49.2**	49.2	49.1
Share premium account	38	**17.8**	16.3	13.5
Share capital		**67.0**	65.5	62.6
Capital redemption reserve	38	**1.1**	1.1	1.1
Own shares	38	**(219.1)**	(116.6)	(43.8)
Translation reserve	38	**(22.7)**	(37.0)	(32.6)
Retained earnings	38	**446.5**	310.1	169.1
Equity attributable to owners of the Company		**272.8**	223.1	156.4
Non-controlling interests	39	**117.8**	113.6	95.3
		390.6	336.7	251.7

The financial statements of Daily Mail and General Trust plc (Company number 184594) on pages 81 to 170 were approved by the Directors and authorised for issue on 9 December 2014. They were signed on their behalf by:

The Viscount Rothermere
M W H Morgan
Directors

CONSOLIDATED CASH FLOW STATEMENT

For the year ending 30 September 2014

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Operating profit before share of results of joint ventures and associates – continuing operations	3	**184.0**	213.5
Operating (loss)/profit before share of results of joint ventures and associates – discontinued operations	18	**(2.2)**	7.0
Adjustments for:			
Share-based payments		**10.3**	13.3
Negative goodwill		**–**	(4.4)
Loss on disposal of fixed assets		**5.3**	1.0
Pension curtailment	4, 34	**–**	(3.8)
Pension charge less than cash contributions	3	**(0.9)**	(0.4)
Depreciation of property, plant and equipment and investment property	4, 22, 23	**34.8**	49.4
Impairment of property, plant and equipment and investment property	4, 22, 23	**0.6**	1.5
Impairment of goodwill and intangible assets	4, 20, 21	**64.7**	8.3
Amortisation of intangible assets not arising on business combinations	4, 21	**14.3**	16.9
Amortisation of intangible assets arising on business combinations	4, 21	**38.1**	34.2
Operating cash flows before movements in working capital		**349.0**	336.5
Decrease in inventories		**1.1**	3.1
(Increase)/decrease in trade and other receivables		**(3.2)**	36.3
(Decrease)/increase in trade and other payables		**(48.2)**	31.0
(Decrease)/increase in provisions		**(6.3)**	8.7
Additional payments into pension schemes		**(49.9)**	(31.1)
Cash generated by operations		**242.5**	384.5
Taxation paid		**(27.3)**	(38.0)
Taxation received		**3.2**	0.7
Net cash from operating activities		**218.4**	347.2
Investing activities			
Interest received		**2.3**	2.2
Dividends received from joint ventures and associates	24	**25.2**	5.6
Dividends received from available-for-sale investments	9	**9.4**	1.8
Purchase of property, plant and equipment	22	**(29.4)**	(27.7)
Expenditure on internally generated intangible fixed assets	21	**(71.8)**	(66.7)
Expenditure on other intangible assets	21	**(4.6)**	–
Purchase of available-for-sale investments	25	**(4.1)**	(2.1)
Proceeds on disposal of property, plant and equipment		**12.5**	6.3
Proceeds on disposal of available-for-sale investments		**–**	0.7
Purchase of subsidiaries	16	**(146.8)**	(64.9)
Proceeds from disposal of non-controlling interest		**0.2**	–
Treasury derivative activities		**15.0**	(28.7)
Investment in joint ventures and associates	24	**(20.5)**	(4.9)
Loans advanced to joint ventures and associates		**(1.6)**	(5.7)
Loans to joint ventures and associates repaid		**0.1**	–
Proceeds on disposal of businesses	17	**62.3**	96.4
Proceeds on disposal of joint ventures and associates	8, 24	**177.8**	–
Net cash generated by/(used in) investing activities		**26.0**	(87.7)

For the year ending 30 September 2014

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Financing activities			
Purchase of additional interests in controlled entities	16	**(0.4)**	(15.8)
Equity dividends paid	12, 38	**(72.8)**	(69.6)
Dividends paid to non-controlling interests	39	**(9.7)**	(9.1)
Issue of share capital	37, 38	**1.5**	2.9
Issue of shares by Group companies to non-controlling interests	39	**0.8**	2.3
Receipt from non-controlling interests		**–**	–
Purchase of own shares	38	**(91.3)**	(94.6)
Purchase of own shares in Euromoney	38, 39	**(21.5)**	–
Net receipt on exercise/settlement of subsidiary share options		**17.7**	10.9
Interest paid		**(55.5)**	(57.5)
Premium on redemption of bonds	10, 15, 32	**(24.4)**	–
Bonds redeemed	10, 15, 32	**(106.7)**	(46.4)
Loan notes repaid	15	**(1.7)**	(0.6)
Increase in bank borrowings	15	**61.3**	–
Net cash used in financing activities		**(302.7)**	(277.5)
Net decrease in cash and cash equivalents	15	**(58.3)**	(18.0)
Cash and cash equivalents at beginning of year	28	**88.5**	107.3
Exchange loss on cash and cash equivalents	15	**(1.2)**	(0.8)
Net cash and cash equivalents at end of year	28	**29.0**	88.5

NOTES TO THE ACCOUNTS

1 Basis of preparation
DMGT is a company incorporated in the United Kingdom. The address of the registered office is given on page 180.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

These financial statements have been prepared for the year ending 30 September 2014 (2013 year ending 30 September 2013).

Other than Daily Mail, The Mail on Sunday, Metro and Wowcher businesses, the Group prepares accounts for a year ending on 30 September. Daily Mail, The Mail on Sunday, Metro and Wowcher businesses prepare financial statements for a 52 or 53 week financial period ending on a Sunday near to the end of September and do not prepare additional financial statements corresponding to the Group's financial year for consolidation purposes as it would be impracticable to do so. The Group considers whether there have been any significant transactions or events between the end of the financial year of these businesses and the end of the Group's financial year and makes any material adjustments as appropriate.

The significant accounting policies used in preparing this information are set out in Note 2.

These financial statements have been prepared in accordance with the accounting policies set out in the 2013 Annual Report, with the exception of a restatement of results, described below and as amended, where appropriate, by new or amended IFRS described below.

The Group's financial statements incorporate the financial statements of the Company and all of its subsidiaries together with the Group's share of all of its interests in joint ventures and associates. The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments.

Going concern
The Group's business activities, together with the factors likely to affect its future development, performance and position are set out within the Strategic Report on pages 16 to 33.

As highlighted in Notes 32 and 33 to the financial statements, the Company has long-term financing in the form of bonds and meets its day-to-day working capital requirements through bank facilities which expire in March 2019. The current economic conditions create uncertainty particularly over the future performance of those parts of the business that derive a significant proportion of revenue from advertising. The Board's forecasts and projections, after taking account of reasonably possible changes in trading performance, show that the Group is expected to operate within the terms of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Group will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2 Significant accounting policies
The following new and amended IFRSs have been adopted during the year:

- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosure of interests in other entities
- IFRS 13 Fair value measurement
- IAS 27 (Revised) Separate financial statements
- IAS 28 (Revised) Investments in associates and joint ventures and improvements to IFRS 2009–2011 cycle
- Amendments to IFRS 7 and IAS 32
- Amendments to IAS 36 Recoverable amount disclosures for non-financial assets
- Amendments to IAS 39 Novation of derivatives and continuation of hedge accounting
- Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

The above standards and amendments to existing standards have not had any significant impact on the Group's financial statements.

IAS 19 (Revised), Employee Benefits
IAS 19 (Revised) impacted the measurement of various components in the defined benefit pension obligation and associated disclosures, but not the Group's total obligation. The standard replaces the finance cost on the defined benefit obligation and the expected return on plan assets with a net finance charge or income, based on the defined benefit liability or asset and the discount rate, measured at the start of the period. This has increased the finance charge in the Consolidated Income Statement with an equal and offsetting movement in actuarial gains and losses in the Consolidated Statement of Comprehensive Income.

This change in accounting treatment has been reflected in the Group's Consolidated Financial Statements retrospectively and the impact on the Consolidated Income Statement and Consolidated Statement of Other Comprehensive Income for the year ending 30 September 2013 and 30 September 2012 is as follows:

	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Impact on Consolidated Income Statement		
Increase in net finance charges	(27.8)	(23.5)
Reduction in profit after tax	(24.6)	(19.2)
Reduction in adjusted profit after tax	(11.9)	(7.6)
Reduction in earnings per share from continuing operations	**p**	**p**
Basic	(6.5)	(5.0)
Diluted	(6.4)	(4.9)
Adjusted	(3.1)	(2.0)
Impact on Consolidated Statement of Comprehensive Income	**£m**	**£m**
Increase in actuarial valuation	27.8	23.5
Increase in tax relating to items that will not be reclassified to Consolidated Income Statement	(3.2)	(4.3)

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for the Group's accounting periods beginning on or after 1 October 2014. The new pronouncements are listed below:

- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations (effective 1 January 2016)*
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation (effective 1 January 2016)*
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2017)*
- IFRS 9 Financial Instruments (effective 1 January 2018)*

* Not yet endorsed for use in the EU.

Business combinations
The acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the Consolidated Income Statement as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted through the Consolidated Income Statement. All other changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with the relevant IFRS. Changes in the fair value of contingent consideration classified as equity are not recognised.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the date of the acquisition that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is a maximum of one year.

Business combinations achieved in stages
Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the date the Group attains control and the resulting gain or loss is recognised in the Consolidated Income Statement. Amounts arising from interests in the acquiree prior to the acquisition date that were recognised in other comprehensive income are reclassified to the Consolidated Income Statement where such treatment would be appropriate if the interest were disposed of.

Purchases and sales of shares in a controlled entity
Where the Group's interest in a controlled entity increases, the non-controlling interests' share of net assets, excluding any allocation of goodwill, is transferred to retained earnings. Any difference between the cost of the additional interest and the existing carrying value of the non-controlling interests' share of net assets is recorded in retained earnings.

Where the Group's interest in a controlled entity decreases, but the Group retains control, the share of net assets disposed, excluding any allocation of goodwill, is transferred to the non-controlling interests. Any difference between the proceeds of the disposal and the existing carrying value of the net assets or liabilities transferred to the non-controlling interests is recorded in retained earnings.

NOTES TO THE ACCOUNTS
CONTINUED

2 Significant accounting policies continued

Disposal of controlling interests where non-controlling interest retained

Where the Group disposes of a controlling interest but retains a non-controlling interest in the business, the Group accounts for the disposal of a subsidiary and the subsequent acquisition of a joint venture, associate or available-for-sale investment at fair value on initial recognition. On disposal of a subsidiary all amounts deferred in equity are recycled to the Consolidated Income Statement.

Business combinations occurring prior to 4 October 2009

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities are recognised at their fair values at the acquisition date, other than non-current assets and liabilities of disposal groups which are recognised at fair value less costs to sell. Where an adjustment to fair values relating to previously held interests (including interests which were equity accounted under IAS 28, Investments in associates) is required on achieving control, this is accounted for as an adjustment directly in equity.

Goodwill arising on acquisitions is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Where control is achieved in more than one exchange transaction, goodwill is calculated separately for each transaction based on the cost of each transaction and the appropriate share of the acquiree's net assets based on net fair values at the time of each transaction.

The interest of non-controlling interests in the acquiree is initially measured at the non-controlling interests' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Purchase and sale of shares in a controlled entity occurring prior to 4 October 2009

Where the Group's interest in a controlled entity increases, no adjustments are recorded to the fair values of the assets already held on the Consolidated Statement of Financial Position. The Group calculates the goodwill arising as the difference between the cost of the additional interest acquired and the increase in the Group's interest in the fair value of the subsidiary's net assets at the date of the exchange transaction. Any difference between the cost of the additional interest, goodwill arising and the existing carrying value of the non-controlling interests' share of net assets is adjusted directly in equity.

Where the Group's interest in a controlled entity decreases, which does not result in a change of control, the Group increases the non-controlling interests' share of net assets by the book value of the share of net assets disposed. Any profit or loss on disposal of the share of net assets to the non-controlling interests is calculated by reference to the consideration received, the book value of the share of net assets disposed and a proportion of any relevant goodwill in the Consolidated Statement of Financial Position relating to the subsidiary.

Accounting for subsidiaries

A subsidiary is an entity controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement from the effective date control is obtained or up to the date control is relinquished, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and for acquisitions post 3 October 2010 following adoption of IAS 27 (Revised 2008), Consolidated and Separate Financial Statements the non-controlling interests' share of changes in equity since the date of the combination.

Prior to the adoption of IAS 27 (Revised 2008) losses attributable to non-controlling interests in excess of the non-controlling interests' share in equity were allocated against the interests of the Group except to the extent that the non-controlling interests have a binding obligation and is able to make an additional investment to cover such losses. When the subsidiary subsequently reports profits, the non-controlling interests do not participate until the Group has recovered all of the losses of the non-controlling interests it previously reported.

Interests in joint ventures and associates

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The post-tax results of joint ventures and associates are incorporated in the Group's results using the equity method of accounting. Under the equity method, investments in joint ventures and associates are carried in the Consolidated Statement of Financial Position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture and associate, less any impairment in the value of investment. Losses of joint ventures and associates in excess of the of the Group's interest in that joint venture or associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture or associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

Foreign currencies
For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than sterling are translated into sterling using exchange rates prevailing on the period end date. Income and expense items and cash flows are translated at the average exchange rates for the period and exchange differences arising are recognised directly in equity. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that operation is recognised in the Consolidated Income Statement as part of the gain or loss on sale.

The Group records foreign exchange differences arising on retranslation of foreign operations within the translation reserve in equity.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the exchange rate prevailing on the date of the transaction. At each period end date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the period end date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Consolidated Income Statement for the period.

Goodwill, intangible assets and fair value adjustments arising on the acquisition of foreign operations after transition to IFRS are treated as part of the assets and liabilities of the foreign operation and are translated at the closing rate. Goodwill which arose pre-transition to IFRS is not translated.

In respect of all foreign operations, any cumulative exchange differences that have arisen before 4 October 2004, the date of transition to IFRS, were reset to £nil and will be excluded from the determination of any subsequent profit or loss on disposal.

Goodwill and intangible assets
Goodwill and intangible assets acquired arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Negative goodwill arising on an acquisition is recognised directly in the Consolidated Income Statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rates on the period end date.

Goodwill arising before the date of transition to IFRS, on 4 October 2004, has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the Consolidated Income Statement on disposal. Goodwill written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

Impairment of goodwill
The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. Intangible assets are tested separately from goodwill only where impairment indicators exist. The Group has no intangible assets with indefinite lives.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash-generating units (CGUs). If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, pro-rated on the basis of the carrying amount of each asset in the unit, but subject to not reducing any asset below its recoverable amount. An impairment loss recognised for goodwill is not reversed in a subsequent period.

NOTES TO THE ACCOUNTS
CONTINUED

2 Significant accounting policies continued

When testing for impairment, the recoverable amounts for all of the Group's CGUs are measured at the higher of value in use and fair value less costs to sell. Value in use is calculated by discounting future expected cash flows. These calculations use cash flow projections based on management-approved budgets and projections which reflect management's current experience and future expectations of the markets in which the CGU operates. Risk adjusted pre-tax discount rates used by the Group in its impairment tests range from 9.5% to 17.2% (2013 7.4% to 15.0%, 2012 11.3% to 30.7%), the choice of rates depending on the market and maturity of the CGU. The Group's estimate of the weighted average cost of capital has not changed significantly from the previous year. The projections consist of Board-approved budgets for the following year, three-year plans and growth rates beyond this period. The long-term growth rates range between 0% and +3% (2013 0% and +3.0%, 2012 -3.0% and +3.0%) and vary with management's view of the CGU's market position, maturity of the relevant market and do not exceed the long-term average growth rate for the market in which it operates.

An impairment loss recognised for goodwill is charged immediately in the Consolidated Income Statement and is not subsequently reversed.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Group's development activity, including software for internal use, is recognised only if the asset can be separately identified, it is probable the asset will generate future economic benefits, the development cost can be measured reliably, the project is technically feasible and the project will be completed with a view to sell or use the asset. Additionally, guidance in Standing Interpretations Committee (SIC) 32 has been applied in accounting for internally developed website development costs.

Internally generated intangible assets are amortised on a straight-line basis over their estimated useful lives, when the asset is available for use, and are reported net of impairment losses. Where no internally generated intangible asset can be recognised, development expenditure is charged to the Consolidated Income Statement in the period in which it was incurred.

Licences

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives, being three to five years.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs and directly attributable overheads are capitalised as intangibles.

Computer software which is integral to a related item of hardware equipment is accounted for as property, plant and equipment.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

At each period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Other intangible assets

Other intangible assets with finite lives are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the Consolidated Income Statement on a reducing balance or straight-line basis over the estimated useful lives of the intangible assets from the date they become available for use. The estimated useful lives are as follows:

Publishing rights, titles and exhibitions	5 – 30 years
Brands	3 – 20 years
Market and customer related databases	3 – 20 years
Customer relationships	3 – 20 years
Computer software licences	2 – 5 years

Impairment of intangible assets

At each period end date, reviews are carried out of the carrying amounts of tangible and intangible assets and goodwill to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount, which is the higher of value in use and fair value less costs to sell, of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, value in use estimates are made based on the cash flows of the CGU to which the asset belongs.

If the recoverable amount of an asset or CGU is estimated to be less than its net carrying amount, the net carrying amount of the asset or CGU is reduced to its recoverable amount. Impairment losses are recognised immediately in the Consolidated Income Statement.

The Group assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods, for an asset other than goodwill, may no longer exist or may have decreased. If any such indication exists, the Group estimates the recoverable amount of that asset. In assessing whether there is any indication that an impairment loss recognised in prior periods for an asset other than goodwill may no longer exist or may have decreased, the Group considers, as a minimum, the following indications:

(a) Whether the asset's market value has increased significantly during the period;
(b) Whether any significant changes with a favourable effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which the asset is dedicated; and
(c) Whether market interest rates or other market rates of return on investments have decreased during the period, and those decreases are likely to affect the discount rate used in calculating the asset's value in use and increase the asset's recoverable amount materially.

Property, plant and equipment
Land and buildings held for use are stated in the Consolidated Statement of Financial Position at their cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Assets in the course of construction are carried at cost, less any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Income Statement.

Depreciation is charged so as to write off the cost of assets, other than property, plant and equipment under construction using the straight-line method, over their estimated useful lives as follows:

Freehold buildings and long leasehold properties	50 years
Short leasehold premises	the term of the lease
Plant and equipment	3 – 25 years
Depreciation is not provided on freehold land	

Investment property
The Group transfers property from property, plant and equipment to investment property when owner occupation ends. Investment properties are stated in the Consolidated Statement of Financial Position at their cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is charged so as to write off the cost of these assets, using the straight-line method, over their estimated useful lives as follows:

Freehold buildings and long leasehold properties	50 years
Depreciation is not provided on freehold land	

Inventory
Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The Group uses the Average Cost method in the dmg media segment and the First In First Out method in the remaining segments.

Pre-publication costs
Pre-publication costs represent direct costs incurred in the development of titles prior to their publication. These costs are recognised as work in progress on the Consolidated Statement of Financial Position to the extent that future economic benefit is virtually certain and can be measured reliably.

Marketing costs
Marketing and promotional costs are charged to the Consolidated Income Statement in the period in which they are incurred.

Cash and cash equivalents
Cash and cash equivalents shown in the Consolidated Statement of Financial Position includes cash, short-term deposits and other short-term highly liquid investments with an original maturity of three months or less. For the purpose of the Consolidated Cash Flow Statement, cash and cash equivalents are as defined above, net of bank overdrafts.

NOTES TO THE ACCOUNTS CONTINUED

2 Significant accounting policies continued

Revenue

Group revenue comprises revenue of the Company and its subsidiary undertakings. Revenue is stated at the fair value of consideration, net of value added tax, trade discounts and commission where applicable and is recognised using methods appropriate for the Group's businesses.

Where revenue contracts have multiple elements (such as software licences, data subscriptions and support), all aspects of the transaction are considered to determine whether these elements can be separately identified. Where transaction elements can be separately identified and revenue can be allocated between them on a fair and reliable basis, revenue for each element is accounted for according to the relevant policy below. Where transaction elements cannot be separately identified, revenue is recognised over the contract period.

The principal revenue recognition policies, as applied by the Group's major businesses, are as follows:

- Subscriptions revenue, including revenue from information services, is recognised over the period of the subscription or contract.
- Publishing and circulation revenue is recognised on issue of publication or report.
- Advertising revenue is recognised on issue of publication or over the period of the online campaign.
- Contract print revenue is recognised on completion of the print contract.
- Exhibitions, training and events revenues are recognised over the period of the event.
- Software licence revenue is recognised on delivery of the software licence or over the period of the licence if support is unable to be separately identified from hosting and revenue allocated on a fair and reliable basis.
- Support revenue associated with software licences and subscriptions is recognised over the term of the support contract.
- Long-term contract revenue is recognised under the Percentage of Completion method according to the percentage of work completed at the period end date.

Operating profit before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations and impairment of property, plant and equipment and investment property

The Group discloses as operating profit, profit before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations, share of results from associates and joint ventures, other gains and losses, investment income and finance costs, but after amortisation of internally generated and acquired computer software. The Directors believe that this measure is useful to readers as it shows the results of the Group's operations before contribution from joint ventures and associates and because it excludes one-off gains and losses on disposal of businesses, properties, finance items and similar items of a non-recurring nature.

Other gains and losses

Other gains and losses comprise profit or loss on sale of trading investments, profit or loss on sale of property, plant and equipment, impairment of available-for-sale assets, profit or loss on sale of businesses and profit or loss on sale of joint ventures and associates.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments as determined at the inception of the lease. The corresponding liability to the lessor is included in the Consolidated Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Consolidated Income Statement.

Rentals payable under operating leases are charged to the Consolidated Income Statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Dividends

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Dividends are recognised as a distribution in the period in which they are approved by the shareholders. Interim dividends are recorded in the period in which they are paid.

Borrowing costs

Unless capitalised under IAS 23, Borrowing Costs, all borrowing costs are recognised in the Consolidated Income Statement in the period in which they are incurred. Finance charges, including premiums paid on settlement or redemption and direct issue costs and discounts related to borrowings, are accounted for on an accruals basis and charged to the Consolidated Income Statement using the effective interest method.

Retirement benefits
As permitted by IFRS 1, First-time adoption of International Financial Reporting Standards, the Group elected to recognise all cumulative actuarial gains and losses in the pension schemes operated by the Group at 4 October 2004, the date of transition to IFRS. Pension scheme assets are measured at market value at the period end date. Scheme liabilities are measured using the Projected Unit Credit method and discounted at a rate reflecting current yields on high-quality corporate bonds having regard to the duration of the liability profiles of the schemes.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability on the Consolidated Statement of Financial Position. Actuarial gains and losses arising in the year are taken to the Consolidated Statement of Comprehensive Income. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred. For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out triennially. In accordance with the advice of independent qualified actuaries in assessing whether to recognise a surplus, the Group has regard to the principles set out in IFRIC 14.

Other movements in the net surplus or deficit are recognised in the Consolidated Income Statement, including the current service cost, any past service cost and the effect of any curtailment or settlements. The interest cost less the expected return on assets is also charged to the Consolidated Income Statement within net finance costs.

Since the assets and liabilities of the Group's defined benefit plans cannot be allocated to individual entities on a fair and reasonable basis, the scheme's assets and liabilities are not attributed to reporting segments and the pension charge in each segment in the segmental analysis represents the contributions payable for the period.

The Group's contributions to defined contribution pension plans are charged to the Consolidated Income Statement as they fall due.

Taxation
Income tax expense represents the sum of current tax and deferred tax for the year.

The current tax payable or recoverable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the Consolidated Income Statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's liability for current tax is calculated using the UK and foreign tax rates that have been enacted or substantively enacted by the period end date.

Current tax assets and liabilities are set off and stated net in the Consolidated Statement of Financial Position when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority or on the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition other than in a business combination of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries, joint ventures and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Goodwill arising on business combinations also includes amounts corresponding to deferred tax liabilities recognised in respect of acquired intangible assets. A deferred tax liability is recognised to the extent that the fair value of the assets for accounting purposes exceeds the value of those assets for tax purposes and will form part of the associated goodwill on acquisition.

The carrying amount of deferred tax assets is reviewed at each period end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the period end date, and is not discounted.

Deferred tax assets and liabilities are set off when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

Tax is charged or credited to the Consolidated Income Statement, except when it relates to items charged or credited directly to equity, in which case the tax is also recognised directly in equity.

NOTES TO THE ACCOUNTS
CONTINUED

2 Significant accounting policies continued

Financial instruments

Financial assets and financial liabilities are recognised on the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously and where the Group intends to net settle.

Financial assets

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Available-for-sale investments

Investments and financial assets are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are measured at fair value, including transaction costs.

Investments are classified as either fair value through profit or loss or available-for-sale. Where securities are held-for-trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

The fair value of listed securities is determined based on quoted market prices, and of unlisted securities on management's estimate of fair value determined by discounting future cash flows to net present value using market interest rates prevailing at the period end.

Financial liabilities and equity instruments

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

Capital market and bank borrowings

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to net proceeds at inception), and are subsequently measured at amortised cost, using the effective interest rate method. A portion of the Group's bonds are subject to fair value hedge accounting as explained below and this portion is adjusted for the movement in the hedged risk to the extent hedge effectiveness is achieved. Any difference between the proceeds, net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of transaction costs.

Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the period end date, and are discounted to present value where the effect is material.

Onerous contract provisions are recognised for losses on contracts where the forecast costs of fulfilling the contract throughout the contract period exceed the forecast income receivable. The provision is calculated based on cash flows to the end of the contract. Vacant property provisions are recognised when the Group has committed to a course of action that will result in the property becoming vacant.

Share-based payments

The Group issues equity-settled and cash-settled share-based payments to certain Directors and employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured using a binomial pricing model which is calibrated using a Black-Scholes framework. The expected life used in the models has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations.

A liability equal to the portion of the goods or services received is recognised at the current fair value determined at each period end date for cash-settled share-based payments.

The Group has applied the requirements of IFRS 2, Share-based Payments to all equity instruments granted after 7 September 2002 but not fully vested at 4 October 2004, the date of transition to IFRS.

Investment in own shares

Treasury Shares

Where the Company purchases its equity share capital as Treasury Shares, the consideration paid, including any directly attributable incremental costs (net of income taxes), is recorded as a deduction from shareholders' equity until such shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to retained earnings.

Employee benefit trust

The Company has established an employee benefit trust (EBT) for the purpose of purchasing shares in order to satisfy outstanding share options and potential awards under long-term incentive plans. The assets of the trust comprise shares in DMGT and cash balances. The trust is administered by independent trustees and its assets are held separately from those of the Group. The Group bears the major risks and rewards of the assets held by the EBT until the shares vest unconditionally with employees. The Group recognises the assets and liabilities of the trust in the consolidated financial statements and shares held by the trust are recorded at cost as a deduction from shareholders' equity. Consideration received for the sale of shares held by the trust is recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to retained earnings.

Critical accounting judgements and key sources of estimation uncertainty

In addition to the judgement taken by management in selecting and applying the accounting policies set out above, management has made the following judgements concerning the amounts recognised in the consolidated financial statements:

Forecasting

The Group prepares medium-term forecasts based on Board-approved budgets and three-year outlooks. These are used to support judgements made in the preparation of the Group's financial statements including the recognition of deferred tax assets in different jurisdictions, the Group's going concern assessment and for the purposes of impairment reviews. Longer-term forecasts use long-term growth rates applicable to the relevant businesses.

Impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired or whether a reversal of an impairment of intangible assets should be recorded requires an estimation of the value in use of the relevant CGU. The value-in-use calculation requires management to estimate the future cash flows expected to arise from the CGU and compare the net present value of these cash flows using a suitable discount rate to determine if any impairment has occurred. A key area of judgement is deciding the long-term growth rate of the applicable businesses and the discount rate applied to those cash flows (Note 20). The carrying amount of goodwill and intangible assets at the period end date was £1,125.3 million (2013 £1,056.8 million, 2012 £968.5 million) after a net impairment charge of £64.7 million (2013 charge of £8.3 million, 2012 charge of £19.4 million) was recognised during the year (Notes 20 and 21).

Acquisitions and intangible assets

The Group's accounting policy on the acquisition of subsidiaries is to allocate purchase consideration to the fair value of identifiable assets, liabilities and contingent liabilities acquired with any excess consideration representing goodwill. Determining the fair value of assets, liabilities and contingent liabilities acquired requires significant estimates and assumptions, including assumptions with respect to cash flows and unprovided liabilities and commitments, including in respect to tax, are often used. The Group recognises intangible assets acquired as part of a business combination at fair values at the date of the acquisition. The determination of these fair values is based upon management's judgement and includes assumptions on the timing and amount of future cash flows generated by the assets and the selection of an appropriate discount rate. Additionally, management must estimate the expected useful economic lives of intangible assets and charge amortisation on these assets accordingly.

Contingent consideration payable

Estimates are required in respect of the amount of contingent consideration payable on acquisitions, which is determined according to formulae agreed at the time of the business combination, and normally related to the future earnings of the acquired business. The Directors review the amount of contingent consideration likely to become payable at each period end date, the major assumption being the level of future profits of the acquired business. The Group has made a provision for outstanding contingent consideration payable amounting to £20.2 million (2013 £26.2 million, 2012 £6.6 million).

Contingent consideration payable is discounted to its fair value in accordance with applicable IFRS. For acquisitions completed prior to 4 October 2009, the difference between the fair value of these liabilities and the actual amounts payable is charged to the Consolidated Income Statement as notional finance costs with remeasurement of the liability being recorded against goodwill. For acquisitions completed since 4 October 2009, movements in the fair value of these liabilities are recorded in the Consolidated Income Statement in Financing.

NOTES TO THE ACCOUNTS
CONTINUED

2 Significant accounting policies continued

Contingent consideration receivable

Estimates are required in respect of the amount of contingent consideration receivable on disposals, which is determined according to formulae agreed at the time of the disposal and is normally related to the future earnings of the disposed business. The Directors review the amount of contingent consideration likely to be receivable at each period end date, the major assumption being the level of future profits of the disposed business. The Group has outstanding contingent consideration receivable amounting to £2.7 million (2013 £5.4 million, 2012 £1.2 million). During the year the Group received £0.3 million of previously unrecognised contingent consideration.

Contingent consideration receivable is discounted to its fair value in accordance with applicable IFRS.

Adjusted profit

The Group presents adjusted earnings by making adjustments for costs and profits which management believes to be exceptional in nature by virtue of their size or incidence or have a distortive effect on current year earnings. Such items would include costs associated with business combinations, one-off gains and losses on disposal of businesses, properties, finance costs and similar items of a non-recurring nature together with reorganisation costs and similar charges, tax and by adding back impairment of goodwill and amortisation and impairment of intangible assets arising on business combinations. See Note 13 for a reconciliation of profit before tax to adjusted profit.

Share-based payments

The Group makes share-based payments to certain employees. These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest. The key assumptions used in calculating the fair value of the options are the discount rate, the Group's share price volatility, dividend yield, risk free rate of return, and expected option lives. Management regularly performs a true-up of the estimate of the number of shares that are expected to vest; this is dependent on the anticipated number of leavers. See Note 41 for further detail.

Taxation

Being a multinational Group with tax affairs in many geographic locations inherently leads to a highly complex tax structure which makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and is often dependent on the efficiency of legal processes. Such issues can take several years to resolve. The Group accounts for unresolved issues based on its best estimate of the final outcome, however, the inherent uncertainty regarding these items means that the eventual resolution could differ significantly from the accounting estimates and, therefore, impact the Group's results and future cash flows. As described above, the Group makes estimates regarding the recoverability of deferred tax assets relating to losses based on forecasts of future taxable profits which are, by their nature, uncertain.

Retirement benefit obligations

The cost of defined benefit pension plans is determined using actuarial valuations prepared by the Group's actuaries. This involves making certain assumptions concerning discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The assumptions and the resulting estimates are reviewed annually and, when appropriate, changes are made which affect the actuarial valuations and, hence, the amount of retirement benefit expense recognised in the Consolidated Income Statement and the amounts of actuarial gains and losses recognised in the Consolidated Statement of Changes in Equity. The carrying amount of the retirement benefit obligation at 30 September 2014 was a deficit of £211.8 million (2013 £207.7 million, 2012 £324.4 million). Further details are given in Note 34.

3 Segment analysis

Following disposal of regional newspaper assets the Group's business activities are split into five operating divisions: RMS, dmg information (previously known as business information), dmg events (previously known as events), Euromoney and dmg media (previously known as national and local media). The dmg media division includes all of the Group's newspaper assets – both print and online and all comparative data relating to national and local media have been aggregated into this heading. These divisions are the basis on which information is reported to the Group's Chief Operating Decision Maker, which has been determined to be the Group Board. The segment result is the measure used for the purposes of resource allocation and assessment and represents profit earned by each segment, including share of results from joint ventures and associates but before exceptional operating costs, amortisation and impairment charges, other gains and losses, net finance costs and taxation.

Details of the types of products and services from which each segment derives its revenues are included within the Strategic Report on pages 02 to 37.

The accounting policies applied in preparing the management information for each of the reportable segments are the same as the Group's accounting policies described in Note 2.

Inter-segment sales are charged at prevailing market prices.

Year ending 30 September 2014

	Note	External revenue £m	Inter-segment revenue £m	Total revenue £m	Segment result £m	Less operating profit/(loss) of joint ventures and associates £m	Operating profit before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations and impairment of property, plant and equipment and investment property £m
RMS		171.7	1.1	172.8	45.1	(0.3)	45.4
dmg information		390.8	–	390.8	68.3	0.4	67.9
dmg events		99.8	–	99.8	27.3	–	27.3
Euromoney		406.5	0.1	406.6	117.7	0.3	117.4
dmg media		795.6	0.3	795.9	126.1	30.8	95.3
		1,864.4	1.5	1,865.9	384.5	31.2	353.3
Corporate costs							(42.6)
Discontinued operations	18	(53.2)					(14.5)
		1,811.2					
Operating profit before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations and impairment of property, plant and equipment and investment property							**296.2**
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property							(71.9)
Impairment of goodwill and acquired intangible assets arising on business combinations	20, 21						(3.6)
Amortisation of acquired intangible assets arising on business combinations	21						(36.7)
Operating profit before share of results of joint ventures and associates							**184.0**
Share of results of joint ventures and associates	7						14.3
Total operating profit							**198.3**
Other gains and losses	8						138.9
Profit before net finance costs and tax							**337.2**
Investment revenue	9						10.1
Finance costs	10						(80.3)
Profit before tax							**267.0**
Tax	11						(18.3)
Profit from discontinued operations	18						34.3
Profit for the year							**283.0**

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets within the dmg media segment comprised £113.0 million from newspapers, a loss of £4.0 million from digital assets and unallocated divisional central costs of £13.7 million.

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets within the dmg media segment included £nil from operations in central Europe.

Included within corporate costs is a credit of £0.9 million which adjusts the pensions charge recorded in each operating segment from a cash rate to the net service cost in accordance with IAS 19 (Revised), Employee Benefits.

NOTES TO THE ACCOUNTS
CONTINUED

3 Segment analysis continued

An analysis of the amortisation and impairment of goodwill and intangible assets, exceptional operating costs and impairment of property, plant and equipment by segment is as follows:

Year ending 30 September 2014

	Note	Amortisation of intangible assets not arising on business combinations (Note 21) £m	Amortisation of intangible assets arising on business combinations (Note 21) £m	Impairment of goodwill and intangible assets (Notes 20, 21) £m	Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property £m
RMS		(1.7)	–	–	(48.6)
dmg information		(6.6)	(15.8)	–	(0.7)
dmg events		–	(3.2)	–	–
Euromoney		(2.0)	(17.6)	–	(3.8)
dmg media		(4.0)	(1.5)	(18.8)	(19.8)
		(14.3)	(38.1)	(18.8)	(72.9)
Corporate costs		–	–	–	0.9
		(14.3)	(38.1)	(18.8)	(72.0)
Relating to discontinued operations	18	0.5	1.4	15.2	0.1
Continuing operations		(13.8)	(36.7)	(3.6)	(71.9)

Exceptional operating costs in RMS comprise £4.0 million redundancy costs together with impairment charges of £44.6 million relating to the internally generated intangible asset RMS(one), see Note 21.

In the dmg information segment exceptional operating costs of £0.7 million relate to contingent consideration required to be treated as remuneration.

In Euromoney exceptional operating costs comprised acquisition related costs of £0.9 million, reorganisation costs of £1.3 million and £1.6 million in relation to property move costs.

In the dmg media segment exceptional costs include reorganisation and restructuring charges of £20.5 million, including consultancy charges of £4.9 million, following a management delayering project, together with a write-back of £2.0 million relating to contingent consideration required to be treated as remuneration and impairment charges of £1.3 million relating to internally generated intangible assets.

The Group's tax charge includes a related credit of £23.6 million in relation to these items.

An analysis of the depreciation of property, plant and equipment, investment property, research costs, investment revenue, and finance costs by segment is as follows:

Year ending 30 September 2014

	Note	Depreciation of property, plant and equipment, and investment property (Notes 22, 23) £m	Research costs £m	Investment revenue (Note 9) £m	Finance costs (Note 10) £m
RMS		(5.5)	(45.0)	0.1	–
dmg information		(8.0)	(3.3)	0.2	1.1
dmg events		(0.5)	(0.4)	0.1	–
Euromoney		(2.9)	(9.8)	0.2	(1.0)
dmg media		(17.6)	(2.0)	–	(1.4)
		(34.5)	(60.5)	0.6	(1.3)
Corporate costs		(0.3)	–	9.5	(79.0)
		(34.8)	(60.5)	10.1	(80.3)
Relating to discontinued operations	18	0.7	–	–	–
Continuing operations		(34.1)	(60.5)	10.1	(80.3)

Year ending 30 September 2013

	Note	External revenue £m	Inter-segment revenue £m	Total revenue £m	Segment result £m	Less operating profit/(loss) of joint ventures and associates £m	Operating profit before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations and impairment of property, plant and equipment and investment property Restated (Note 2) £m
RMS		175.4	1.1	176.5	56.5	(0.2)	56.7
dmg information		292.5	0.1	292.6	54.6	(3.2)	57.8
dmg events		87.0	–	87.0	21.3	–	21.3
Euromoney		404.7	–	404.7	119.4	0.4	119.0
dmg media		841.9	9.0	850.9	112.3	24.8	87.5
		1,801.5	10.2	1,811.7	364.1	21.8	342.3
Corporate costs							(42.6)
Discontinued operations	18	(127.3)					(19.4)
		1,674.2					
Operating profit before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations and impairment of property, plant and equipment and investment property							280.3
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property							(31.3)
Impairment of goodwill and acquired intangible assets arising on business combinations	20, 21						(4.4)
Amortisation of acquired intangible assets arising on business combinations	21						(31.1)
Operating profit before share of results of joint ventures and associates							213.5
Share of results of joint ventures and associates	7						5.3
Total operating profit							218.8
Other gains and losses	8						27.6
Profit before net finance costs and tax							246.4
Investment revenue	9						3.1
Finance costs	10						(71.0)
Profit before tax							178.5
Tax	11						(34.2)
Profit from discontinued operations	18						43.7
Profit for the year							188.0

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets within the dmg media segment comprised £111.7 million from national newspapers, a loss of £12.0 million from digital together with unallocated divisional central costs of £19.4 million and profits of £7.2 million relating to the operations of Northcliffe Media which were sold in November 2012.

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets within the dmg media segment included £1.2 million from operations in central Europe.

Included within corporate costs is a credit of £0.4 million which adjusts the pensions charge recorded in each operating segment from a cash rate to the net service cost in accordance with IAS 19 (Revised), Employee Benefits.

NOTES TO THE ACCOUNTS
CONTINUED

3 Segment analysis continued

An analysis of the amortisation and impairment of goodwill and intangible assets, exceptional operating costs and exceptional depreciation of property, plant and equipment by segment is as follows:

Year ending 30 September 2013

	Note	Amortisation of intangible assets not arising on business combinations (Note 21) £m	Amortisation of intangible assets arising on business combinations (Note 21) £m	Impairment of goodwill and intangible assets (Notes 20, 21) £m	Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property £m	Exceptional depreciation of property, plant and equipment (Note 22) £m
RMS		(1.1)	–	–	–	–
dmg information		(8.3)	(10.4)	–	(0.8)	–
dmg events		–	(3.8)	–	–	–
Euromoney		(0.3)	(16.8)	–	2.2	–
dmg media		(7.2)	(3.2)	(8.3)	(21.4)	(14.2)
		(16.9)	(34.2)	(8.3)	(20.0)	(14.2)
Corporate costs		–	–	–	(1.5)	(1.0)
		(16.9)	(34.2)	(8.3)	(21.5)	(15.2)
Relating to discontinued operations	18	–	3.1	3.9	5.4	–
Continuing operations		(16.9)	(31.1)	(4.4)	(16.1)	(15.2)

The Group's exceptional operating costs in the dmg information segment of £0.8 million relate to contingent consideration required to be treated as remuneration.

In Euromoney, exceptional charges comprise acquisition costs of £1.5 million and redundancy costs of £1.0 million offset by a credit of £0.3 million following the release of previously accrued restructuring costs and an exceptional credit for negative goodwill of £4.4 million, the result of a gain on the bargain purchase of Quantitative Techniques following the valuation of the acquired intangible assets.

In the dmg media segment exceptional operating costs relate to reorganisation and restructuring charges of £19.6 million together with a charge amounting to £5.4 million relating to contingent consideration required to be treated as remuneration, offset by £3.6 million credit largely relating to pension curtailment gains following the disposal of Northcliffe Media.

The Group's tax charge includes a related credit of £3.7 million in relation to these items.

An analysis of the depreciation of property, plant and equipment, investment property, research costs, investment revenue, and finance costs by segment is as follows:

Year ending 30 September 2013

	Note	Depreciation of property, plant and equipment and investment property (Notes 22, 23) £m	Research costs £m	Investment revenue Restated (Notes 2, 9) £m	Finance costs Restated (Notes 2, 10) £m
RMS		(5.7)	(42.6)	0.1	–
dmg information		(5.9)	(3.0)	0.9	(1.4)
dmg events		(0.4)	–	0.3	–
Euromoney		(3.9)	(6.3)	0.2	(8.3)
dmg media		(17.2)	(3.0)	–	(0.4)
		(33.1)	(54.9)	1.5	(10.1)
Corporate costs		(1.1)	–	1.6	(60.9)
		(34.2)	(54.9)	3.1	(71.0)
Relating to discontinued operations	18	1.2	–	–	–
Continuing operations		(33.0)	(54.9)	3.1	(71.0)

The Group's revenue comprises sales excluding value added tax, less discounts and commission where applicable and is analysed as follows:

	Year ending 30 September 2014 Total £m	Year ending 30 September 2014 Discontinued operations (Note 18) £m	Year ending 30 September 2014 Inter-segment £m	Year ending 30 September 2014 Continuing operations £m	Year ending 30 September 2013 Total £m	Year ending 30 September 2013 Discontinued operations (Note 18) £m	Year ending 30 September 2013 Inter-segment £m	Year ending 30 September 2013 Continuing operations £m
Sale of goods	**703.1**	**(53.2)**	**–**	**649.9**	740.0	(48.9)	–	691.1
Rendering of services	**1,162.8**	**–**	**(1.5)**	**1,161.3**	1,071.7	(78.4)	(10.2)	983.1
	1,865.9	**(53.2)**	**(1.5)**	**1,811.2**	1,811.7	(127.3)	(10.2)	1,674.2

The Group includes circulation and subscriptions revenue within Sale of goods, the remainder of the Group's revenue, excluding investment revenue is included within rendering of services. Investment revenue is shown in Note 9.

By geographic area
The majority of the Group's operations are located in the United Kingdom, the rest of Europe, North America and Australia.

The analysis below is based on the location of companies in these regions. Export sales and related profits are included in the areas from which those sales are made.

	Year ending 30 September 2014 Total £m	Year ending 30 September 2014 Discontinued operations (Note 18) £m	Year ending 30 September 2014 Continuing operations £m	Year ending 30 September 2013 Total £m	Year ending 30 September 2013 Discontinued operations (Note 18) £m	Year ending 30 September 2013 Continuing operations £m
UK	**1,109.9**	**(38.5)**	**1,071.4**	1,047.3	(94.0)	953.3
Rest of Europe	**54.6**	**(12.8)**	**41.8**	66.1	(29.8)	36.3
North America	**582.4**	**(1.5)**	**580.9**	573.7	(2.8)	570.9
Australia	**18.5**	**(0.4)**	**18.1**	15.6	(0.7)	14.9
Rest of the World	**99.0**	**–**	**99.0**	98.8	–	98.8
	1,864.4	**(53.2)**	**1,811.2**	1,801.5	(127.3)	1,674.2

The analysis below is based on the geographic location of customers in these regions.

	Year ending 30 September 2014 Total £m	Year ending 30 September 2014 Discontinued operations (Note 18) £m	Year ending 30 September 2014 Continuing operations £m	Year ending 30 September 2013 Total £m	Year ending 30 September 2013 Discontinued operations (Note 18) £m	Year ending 30 September 2013 Continuing operations £m
UK	**991.9**	**(37.8)**	**954.1**	937.1	(93.2)	843.9
Rest of Europe	**186.2**	**(11.8)**	**174.4**	199.6	(27.5)	172.1
North America	**473.2**	**(2.1)**	**471.1**	454.1	(4.2)	449.9
Australia	**24.0**	**(0.5)**	**23.5**	23.9	(0.6)	23.3
Rest of the World	**189.1**	**(1.0)**	**188.1**	186.8	(1.8)	185.0
	1,864.4	**(53.2)**	**1,811.2**	1,801.5	(127.3)	1,674.2

NOTES TO THE ACCOUNTS
CONTINUED

3 Segment analysis continued

The closing net book value of goodwill, intangible assets, property, plant and equipment and investment property is analysed by geographic area as follows:

	Closing net book value of goodwill (Note 20) 2014 £m	Closing net book value of goodwill (Note 20) 2013 £m	Closing net book value of goodwill (Note 20) 2012 £m	Closing net book value of intangible assets (Note 21) 2014 £m	Closing net book value of intangible assets (Note 21) 2013 £m	Closing net book value of intangible assets (Note 21) 2012 £m
UK	**263.9**	230.3	212.2	**136.6**	70.9	57.8
Rest of Europe	**4.3**	13.2	15.3	**9.4**	27.0	26.7
North America	**469.4**	460.2	439.8	**209.4**	221.5	191.2
Australia	**9.0**	9.6	1.5	**1.7**	2.0	0.7
Rest of the World	**18.0**	18.2	18.3	**3.6**	3.9	5.0
	764.6	731.5	687.1	**360.7**	325.3	281.4

	Closing net book value of property, plant and equipment (Note 22) 2014 £m	Closing net book value of property, plant and equipment (Note 22) 2013 £m	Closing net book value of property, plant and equipment (Note 22) 2012 £m	Closing net book value of investment property (Note 23) 2014 £m	Closing net book value of investment property (Note 23) 2013 £m	Closing net book value of investment property (Note 23) 2012 £m
UK	**161.2**	178.2	207.1	**4.3**	5.4	6.8
Rest of Europe	**2.6**	1.6	1.1	**–**	–	–
North America	**31.8**	26.9	27.7	**–**	–	–
Australia	**0.4**	0.3	0.3	**–**	–	–
Rest of the World	**1.7**	1.6	1.9	**–**	–	–
	197.7	208.6	238.1	**4.3**	5.4	6.8

The additions to non-current assets are analysed as follows:

	Goodwill (Note 20) Year ending 30 September 2014 £m	Goodwill (Note 20) Year ending 30 September 2013 £m	Goodwill (Note 20) Year ending 30 September 2012 £m	Intangible assets (Note 21) Year ending 30 September 2014 £m	Intangible assets (Note 21) Year ending 30 September 2013 £m	Intangible assets (Note 21) Year ending 30 September 2012 £m
RMS	**–**	–	–	**39.6**	34.6	17.6
dmg information	**58.8**	26.6	16.0	**81.1**	30.7	22.5
dmg events	**2.3**	–	–	**2.1**	–	–
Euromoney	**30.8**	25.3	5.8	**31.8**	29.7	2.1
dmg media	**3.4**	0.3	7.9	**11.9**	10.3	33.5
	95.3	52.2	29.7	**166.5**	105.3	75.7

The additions to non-current assets are analysed as follows:

	Property, plant and equipment (Note 22) Year ending 30 September 2014 £m	Property, plant and equipment (Note 22) Year ending 30 September 2013 £m	Property, plant and equipment (Note 22) Year ending 30 September 2012 £m	Investment property (Note 23) Year ending 30 September 2014 £m	Investment property (Note 23) Year ending 30 September 2013 £m	Investment property (Note 23) Year ending 30 September 2012 £m
RMS	**8.1**	4.2	3.5	**–**	–	–
dmg information	**14.5**	7.3	6.9	**–**	–	–
dmg events	**1.0**	0.6	0.6	**–**	–	–
Euromoney	**3.1**	2.7	1.7	**–**	–	–
dmg media	**5.0**	12.8	45.2	**–**	–	–
Centrally held	**–**	0.1	1.4	**–**	19.0	2.2
	31.7	27.7	59.3	**–**	19.0	2.2

4 Operating profit analysis

Operating profit before the share of results of joint ventures and associates is further analysed as follows:

	Note	Year ending 30 September 2014 Total £m	Year ending 30 September 2014 Discontinued operations (Note 18) £m	Year ending 30 September 2014 Continuing operations £m	Year ending 30 September 2013 Total £m	Year ending 30 September 2013 Discontinued operations (Note 18) £m	Year ending 30 September 2013 Continuing operations £m
Revenue		**1,864.4**	**53.2**	**1,811.2**	1,801.5	127.3	1,674.2
Decrease in stocks of finished goods and work in progress		**(5.7)**	**–**	**(5.7)**	(9.9)	–	(9.9)
Raw materials and consumables		**(222.9)**	**(0.1)**	**(222.8)**	(141.2)	(9.0)	(132.2)
Inventories recognised as an expense in the year		**(228.6)**	**(0.1)**	**(228.5)**	(151.1)	(9.0)	(142.1)
Staff costs	6	**(637.8)**	**(15.2)**	**(622.6)**	(632.0)	(50.0)	(582.0)
Pension scheme curtailments	34	**–**	**–**	**–**	3.8	3.8	–
Impairment of goodwill and intangible assets	20, 21	**(64.7)**	**(15.2)**	**(49.5)**	(8.3)	(3.9)	(4.4)
Amortisation of intangible assets arising on business combinations	21	**(38.1)**	**(1.4)**	**(36.7)**	(34.2)	(3.1)	(31.1)
Amortisation of internally generated and acquired computer software	21	**(14.3)**	**(0.5)**	**(13.8)**	(16.4)	–	(16.4)
Promotion and marketing costs		**(75.9)**	**(7.1)**	**(68.8)**	(87.0)	(10.1)	(76.9)
Venue and delegate costs		**(68.7)**	**–**	**(68.7)**	(63.5)	–	(63.5)
Editorial and production costs		**(130.7)**	**(8.3)**	**(122.4)**	(159.3)	(24.0)	(135.3)
Distribution and transportation costs		**(45.2)**	**–**	**(45.2)**	(50.6)	(3.1)	(47.5)
Royalties and similar charges		**(78.8)**	**–**	**(78.8)**	(68.4)	–	(68.4)
Depreciation of property, plant and equipment and investment property	22, 23	**(34.8)**	**(0.7)**	**(34.1)**	(49.4)	(1.2)	(48.2)
Impairment of property, plant and equipment and investment property	22, 23	**(0.6)**	**–**	**(0.6)**	(1.5)	–	(1.5)
Rental of property		**(21.3)**	**(0.6)**	**(20.7)**	(19.9)	(1.1)	(18.8)
Other property costs		**(27.7)**	**(0.4)**	**(27.3)**	(36.3)	(1.5)	(34.8)
Rental of plant and equipment		**(16.4)**	**(0.2)**	**(16.2)**	(15.2)	(0.9)	(14.3)
Foreign exchange translation differences		**(1.6)**	**–**	**(1.6)**	(1.1)	(0.1)	(1.0)
Other expenses		**(197.4)**	**(5.7)**	**(191.7)**	(190.6)	(16.1)	(174.5)
Operating profit/(loss)		**181.8**	**(2.2)**	**184.0**	220.5	7.0	213.5

5 Auditor's remuneration

	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Fees payable to the External Auditor for the audit of the Company's annual accounts	**0.3**	0.4
Fees payable to the External Auditor and its associates for the audit of the Company's subsidiaries pursuant to legislation	**2.1**	2.2
Audit services provided to all Group companies	**2.4**	2.6
Other services pursuant to legislation	**0.2**	0.2
Services relating to taxation	**0.5**	0.3
Other non-audit services	**0.3**	0.3
	1.0	0.8
Total remuneration	**3.4**	3.4

Fees payable to the External Auditor and its associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

NOTES TO THE ACCOUNTS
CONTINUED

6 Employees

The average number of persons employed by the Group including Directors is analysed as follows:

	Year ending 30 September 2014 Number	Year ending 30 September 2013 Number
RMS	**1,164**	1,197
dmg information	**2,764**	1,971
dmg events	**371**	339
Euromoney	**2,409**	2,324
dmg media	**3,134**	4,277
DMGT Board and head office	**105**	97
	9,947	10,205

Total staff costs comprised:

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Wages and salaries		**550.3**	543.6
Share-based payments	41	**12.2**	13.9
Social security costs		**55.8**	56.3
Pension costs	34	**19.5**	18.2
		637.8	632.0

7 Share of results of joint ventures and associates

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Share of profits from operations of joint ventures	(i)	**11.7**	13.6
Share of profits from operations of associates	(ii)	**19.5**	8.2
Share of profits before exceptional operating costs, amortisation, impairment of goodwill, interest and tax		**31.2**	21.8
Share of exceptional operating costs of joint ventures		**(0.8)**	–
Share of exceptional operating costs of associates		**(3.9)**	(0.6)
Share of amortisation of intangibles of joint ventures		**(2.1)**	(3.2)
Share of amortisation of intangibles of associates		**(3.7)**	(2.4)
Share of joint ventures' interest (payable)/receivable		**(0.1)**	0.2
Share of associates' interest payable		**(0.3)**	(0.6)
Share of joint ventures' tax		**(3.0)**	(1.5)
Share of associates' tax		**(2.2)**	(0.9)
Impairment of carrying value of joint ventures	13, 24, (iii)	**(0.4)**	(7.2)
Impairment of carrying value of associates	13, 24, (iv)	**(0.4)**	(0.3)
Share of results of joint ventures and associates		**14.3**	5.3

Share of results from operations of joint ventures		**5.7**	9.1
Share of results from operations of associates		**9.4**	3.7
Impairment of carrying value of joint ventures	13, 24, (iii)	**(0.4)**	(7.2)
Impairment of carrying value of associates	13, 24, (iv)	**(0.4)**	(0.3)
Share of results of joint ventures and associates		**14.3**	5.3

(i) Share of operating profits from joint ventures includes £12.9 million (2013 £15.0 million) from the Group's interest in Zoopla Property Group Plc in the dmg media segment.

(ii) Share of operating profits from associates includes £15.4 million (2013 £10.8 million) from the Group's interest in Local World in the dmg media segment and £4.4 million (2013 £nil) from the Group's interest in Zoopla Property Group Plc in the dmg media segment.

(iii) Represents a £0.4 million write-down in the carrying value of Mail Today in the dmg media segment. In the prior year, represents a £5.5 million write-down in the carrying value of The Sanborn Map Company in the dmg information segment together with a £1.7 million write-down in the value of Mail Today in the dmg media segment.

(iv) Represents a write-down in the carrying value of the Group's investment in Global Grain Pte Ltd in the Euromoney segment. In the prior year represents a write-down in the carrying value of the Group's investment in Posvanete AD in the dmg media segment.

8 Other gains and losses

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Loss on disposal of available-for-sale investments		**(0.4)**	–
Profit on disposal of property, plant and equipment	13	**1.3**	1.4
Amounts released against contingent consideration receivable on disposal	(i)	**4.0**	–
Profit on disposal of businesses	13, 17, (ii)	**5.1**	23.7
Recycled cumulative translation differences	13, 17, 38, (ii)	**0.5**	2.5
Gain on change in control	(iii)	**4.6**	–
Profit on disposal of joint ventures and associates	(iv)	**123.8**	–
		138.9	27.6

(i) Relates to the release of a prior year provision against contingent consideration receivable.

(ii) Largely represented by the £6.8 million profit on disposal of MIS Training by Euromoney. In the prior period this is largely represented by the profit on sale of Central and Eastern European print and digital assets by the dmg media segment amounting to £14.5 million together with proceeds from previously unrecognised deferred consideration following the sale of North American home shows of £6.2 million in the dmg events segment.

(iii) During the year the Group increased its interest in Xceligent Inc., held by the dmg information segment and obtained control. In accordance with IFRS 3, Business Combinations, the difference between the fair value of the investment and its carrying value has been treated as a gain during the period.

(iv) Following the IPO of Zoopla Property Group Plc during the year the Group disposed of 38.9% of its 52.1% holding in Zoopla Property Group Plc. The Group's remaining 31.8% holding has been classified within associates.

There is a tax charge of £1.4 million (2013 £nil) in relation to these items.

9 Investment revenue

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 Restated (Note 2) £m
Dividend income – Other		**0.1**	1.8
Dividend income – Press Association	(i)	**9.3**	–
Interest receivable from short-term deposits		**0.7**	1.3
		10.1	3.1

(i) Following disposal of the Press Association's investment in MeteoGroup.

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10 Finance costs

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 Restated (Note 2) £m
Interest, arrangement and commitment fees payable on bonds, bank loans and loan notes		**(50.9)**	(57.1)
Premium on bond redemption	13, (i)	**(24.4)**	–
Financing charge on defined benefit pension schemes	13, 34	**(7.6)**	(12.9)
Change in fair value of derivative hedge of bond	15	**(0.8)**	(6.6)
Change in fair value of hedged portion of bond	15	**0.8**	6.6
Profit on derivatives, or portions thereof, not designated for hedge accounting		**1.0**	0.6
Finance charge on discounting of contingent consideration payable	35	**(1.4)**	(1.1)
Finance charge on discounting of contingent consideration receivable		**0.1**	–
Fair value movement of contingent consideration payable	13, 35	**1.1**	(5.0)
Fair value movement of contingent consideration receivable	13	**(0.4)**	–
Fair value movement of undesignated financial instruments	13	**0.9**	7.4
Change in fair value of acquisition put options	13, 33	**1.3**	(2.9)
		(80.3)	(71.0)

(i) In December 2013 the Group bought back £49.7 million notional of its 2018 bonds and £149.2 million notional of its 2021 bonds, incurring a premium of £24.4 million (Note 32).

On 22 September 2014 the Company announced its invitation to holders of its outstanding £165.0 million 2021 bonds and its outstanding £349.7 million 2018 bonds to tender their bonds for purchase by the Company for cash. On 30 September the Company announced the results and cash price payable of validly tendered 2018 and 2021 bonds. The total cash price payable by the Company amounted to £193.1 million, including a premium of £39.9 million, which was paid on 1 October 2014. The derecognition of this financial liability and provision for premium payable has not been recorded in these financial statements since the financial liability was not extinguished until post year end as prescribed by IAS 39, Financial Instruments: Recognition and Measurement.

The finance charge on the discounting of contingent consideration arises from the requirement under IFRS 3 (2008), Business Combinations, to record contingent consideration at fair value using a discounted cash flow approach.

11 Tax

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 Restated (Note 2) £m
The charge on the profit for the period consists of:			
UK tax			
Corporation tax at 22.0% (2013 23.5%)		**(3.1)**	(7.2)
Adjustments in respect of prior years		**2.5**	(1.5)
		(0.6)	(8.7)
Overseas tax			
Corporation tax		**(25.4)**	(19.7)
Adjustments in respect of prior years		**0.5**	(0.6)
		(24.9)	(20.3)
Total current tax		**(25.5)**	(29.0)
Deferred tax	36		
Origination and reversals of temporary differences		**4.1**	–
Adjustments in respect of prior years		**(0.1)**	(2.2)
Total deferred tax		**4.0**	(2.2)
Total tax charge		**(21.5)**	(31.2)
Relating to discontinued operations	18	**3.2**	(3.0)
		(18.3)	(34.2)

A deferred tax credit of £9.9 million (2013 charge £30.8 million) was recognised directly in the Consolidated Statement of Comprehensive Income. A deferred tax charge of £0.4 million (2013 credit of £1.5 million) and a current tax credit of £2.7 million (2013 £2.1 million) was recognised directly in equity (Notes 38 and 39).

The tax charge for the year is lower than the standard rate of corporation tax in the UK of 22.0% (2013 23.5%) representing the weighted average annual corporate tax rate for the full financial year. The differences are explained below:

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 Restated (Note 2) £m
Profit on ordinary activities before tax – continuing operations		**267.0**	178.5
Profit before tax – discontinued operations		**36.1**	40.7
Total profit before tax		**303.1**	219.2
Tax on profit on ordinary activities at the standard rate		**(66.7)**	(51.5)
Effect of:			
Amortisation and impairment of goodwill and intangible assets		**(2.4)**	(4.7)
Other expenses not deductible for tax purposes		**(4.3)**	(4.2)
Additional items deductible for tax purposes		**14.8**	20.3
Recognition of previously unrecognised deferred tax assets		**1.9**	10.8
Effect of overseas tax rates		**(9.4)**	(8.0)
Effect of associates tax		**3.4**	3.0
Unrecognised tax losses utilised/(tax losses unrelieved)		**1.9**	(8.2)
Write off/disposal of subsidiaries		**35.6**	22.8
Effect of change in tax rate		**(1.0)**	(5.0)
Adjustment in respect of prior years		**2.9**	(4.3)
Other		**1.8**	(2.2)
Total tax charge on the profit for the year	13	**(21.5)**	(31.2)

The net prior year credit of £2.9 million (2013 charge £4.3 million), arose largely from the agreement of certain prior year issues with tax authorities and a reassessment of the level of tax provisions required, and a reassessment of temporary differences.

Adjusted tax on profits before amortisation and impairment of intangible assets, restructuring costs and non-recurring items (adjusted tax charge) amounted to a charge of £58.6 million (2013 £48.8 million) and the resulting rate is 20.1% (2013 18.3%). The differences between the tax credit and the adjusted tax charge are shown in the reconciliation below:

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 Restated (Note 2) £m
Total tax charge on the profit for the year		**(21.5)**	(31.2)
Share of tax in joint ventures and associates	7	**(5.2)**	(2.4)
Deferred tax on intangible assets and goodwill		**(5.3)**	(5.2)
Tax on other adjusting items		**(26.6)**	(10.0)
Adjusted tax charge on the profit for the year	13	**(58.6)**	(48.8)

In calculating the adjusted tax rate, the Group excludes the potential future deferred tax effects of intangible assets and goodwill (other than internally generated and acquired computer software) as it prefers to give the users of its accounts a view of the tax charge based on the current status of such items.

Tax on other exceptional items includes a net charge of £nil (2013 £0.8 million) relating to the derecognition of further tax losses and the reassessment of other temporary differences which are treated as exceptional due to their material impact on the Group's adjusted tax charge.

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12 Dividends paid

	Year ending 30 September 2014 Pence per share	Year ending 30 September 2014 £m	Year ending 30 September 2013 Pence per share	Year ending 30 September 2013 £m
Amounts recognisable as distributions to equity holders in the year				
Ordinary Shares – final dividend for the year ending 30 September 2013	**13.3**	**2.6**	–	–
A Ordinary Non-Voting Shares – final dividend for the year ending 30 September 2013	**13.3**	**47.0**	–	–
Ordinary shares – final dividend for the year ending 30 September 2012	**–**	**–**	12.4	2.5
A Ordinary Non-Voting Shares – final dividend for the year ending 30 September 2012	**–**	**–**	12.4	45.0
		49.6		47.5
Ordinary Shares – interim dividend for the year ending 30 September 2014	**6.2**	**1.3**	–	–
A Ordinary Non-Voting Shares – interim dividend for the year ending 30 September 2014	**6.2**	**21.9**	–	–
Ordinary Shares – interim dividend for the year ending 30 September 2013	**–**	**–**	5.9	1.2
A Ordinary Non-Voting Shares – interim dividend for the year ending 30 September 2013	**–**	**–**	5.9	20.9
		23.2		22.1
		72.8		69.6

The Board has declared a final dividend of 14.2p per Ordinary/A Ordinary Non-Voting Shares (2013 13.3p) which will absorb an estimated £52.1 million (2013 £49.6 million) of shareholders' funds for which no liability has been recognised in these financial statements. It will be paid on 6 February 2015 to shareholders on the register at the close of business on 5 December 2014.

13 Adjusted profit

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 Restated (Note 2) £m
Profit before tax – continuing operations	3	**267.0**	178.5
(Loss)/profit before tax – discontinued operations	18	**(2.2)**	7.0
Profit on disposal of discontinued operations and recycled cumulative translation differences	18	**39.7**	33.7
Adjust for:			
Amortisation of intangible assets in Group profit from operations arising on business combinations – continuing operations	3	**36.7**	31.1
Amortisation of intangible assets in Group profit from operations arising on business combinations – discontinued operations	18	**1.4**	3.1
Amortisation of intangible assets in joint ventures and associates arising on business combinations – continuing operations	7	**5.8**	5.6
Impairment of goodwill and intangible assets arising on business combinations – continuing operations	3	**3.6**	4.4
Impairment of goodwill and intangible assets arising on business combinations – discontinued operations	18	**15.2**	3.9
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property – continuing operations	3	**71.9**	31.3
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property – discontinued operations	18	**0.1**	5.4
Share of exceptional operating costs of joint ventures	7	**0.8**	–
Share of exceptional operating costs of associates	7	**3.9**	0.6
Impairment of carrying value of joint venture – continuing operations	7	**0.4**	7.2
Impairment of carrying value of associate – continuing operations	7	**0.4**	0.3
Other gains and losses:			
Loss on disposal of available-for-sale investments	8	**0.4**	–
Profit on disposal of property, plant and equipment	8	**(1.3)**	(1.4)
Amounts released against contingent consideration receivable on disposal	8	**(4.0)**	–
Profit on disposal of businesses and recycled cumulative translation differences	8	**(5.6)**	(26.2)
Gain on change in control	8	**(4.6)**	–
Profit on disposal of joint ventures and associates	8	**(123.8)**	–
Investment revenue:			
Dividend income – Press Association	9	**(9.3)**	–
Finance costs:			
Premium on bond redemption	10	**24.4**	–
Financing charge on defined benefit pension schemes	10	**7.6**	12.9
Fair value movement of undesignated financial instruments	10	**(0.9)**	(7.4)
Change in fair value of acquisition put options	10	**(1.3)**	2.9
Fair value movement of contingent consideration payable	10	**(1.1)**	5.0
Fair value movement of contingent consideration receivable	10	**0.4**	–
Tax:			
Share of tax in joint ventures and associates – continuing operations	7, 11	**5.2**	2.4
Profit from discontinued operations:			
Profit on disposal of discontinued operations and recycled cumulative translation differences	18	**(39.7)**	(33.7)
Adjusted profit before tax and non-controlling interests		**291.1**	266.6
Total tax charge on the profit for the year	11	**(21.5)**	(31.2)
Adjust for:			
Share of tax in joint ventures and associates	7, 11	**(5.2)**	(2.4)
Deferred tax on intangible assets and goodwill	11	**(5.3)**	(5.2)
Tax on other adjusting items	11	**(26.6)**	(10.0)
Non-controlling interests		**(25.1)**	(29.6)
Adjusted profit after taxation and non-controlling interests		**207.4**	188.2

The adjusted non-controlling interests' share of profits for the year of £25.1 million (2013 £29.6 million) is stated after eliminating a credit of £5.0 million (2013 £6.2 million), being the non-controlling interests' share of adjusting items.

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13 Adjusted profit continued

Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)

The Group defines EBITDA as adjusted operating profit before exceptional operating costs, amortisation and impairment of goodwill and acquired intangible assets, depreciation and impairment of property, plant and equipment. EBITDA is broadly used by analysts, rating agencies, investors and the Group's banks to assess the Group's performance.

The Group's internal target of Net Debt to EBITDA cover is no greater than 2.0 times whilst the limit imposed by its bank covenants is no greater than 3.75 times. The bank covenant ratio uses the average exchange rate in the calculation of net debt. The resultant Net Debt to EBITDA ratio is 1.53 times (2013 1.56 times, 2012 1.65 times). Using a closing rate basis for the valuation of Net Debt, the ratio was 1.54 times (2013 1.53 times, 2012 1.62 times).

	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Continuing operations		
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and acquired intangible assets	**296.2**	280.3
Non-exceptional depreciation charge	**34.1**	33.0
Amortisation of internally generated and acquired computer software	**13.8**	16.9
Operating profits from joint ventures and associates	**31.2**	21.8
Dividend income	**0.1**	1.8
Discontinued operations		
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and acquired intangible assets	**14.5**	19.4
Non-exceptional depreciation charge	**0.7**	1.2
Amortisation of internally generated and acquired computer software	**0.5**	–
EBITDA	**391.1**	374.4

14 Earnings per share

Basic earnings per share of 70.6p (2013 43.6p) and diluted earnings per share of 69.3p (2013 42.5p) are calculated, in accordance with IAS 33, Earnings per share, on Group profit for the financial year of £228.6 million (2013 £120.9 million) as adjusted for the effect of dilutive Ordinary Shares of £0.7 million (2013 £0.3 million) and earnings from discontinued operations of £34.3 million (2013 £43.7 million) and on the weighted average number of Ordinary Shares in issue during the year, as set out below.

As in previous years, adjusted earnings per share have also been disclosed since the Directors consider that this alternative measure gives a more comparable indication of the Group's underlying trading performance. Adjusted earnings per share of 55.7p (2013 49.9p) are calculated on profit for continuing and discontinued operations before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of intangible assets arising on business combinations, other gains and losses and exceptional financing costs after taxation and non-controlling interests associated with those profits, of £207.4 million (2013 £188.2 million), as set out in Note 13 above, and on the basic weighted average number of Ordinary Shares in issue during the year.

Basic and diluted earnings per share

	Year ending 30 September 2014 Diluted earnings £m	Year ending 30 September 2013 Diluted earnings Restated (Note 2) £m	Year ending 30 September 2014 Basic earnings £m	Year ending 30 September 2013 Basic earnings Restated (Note 2) £m
Earnings from continuing operations	**228.6**	120.9	**228.6**	120.9
Effect of dilutive Ordinary Shares	**(0.7)**	(0.3)	**–**	–
Earnings from discontinued operations	**34.3**	43.7	**34.3**	43.7
	262.2	164.3	**262.9**	164.6
Adjusted earnings from continuing and discontinued operations	**207.4**	188.2	**207.4**	188.2
Effect of dilutive Ordinary Shares	**(0.7)**	(0.3)	**–**	–
	206.7	187.9	**207.4**	188.2

	Year ending 30 September 2014 Diluted pence per share	Year ending 30 September 2013 Diluted pence per share Restated (Note 2)	Year ending 30 September 2014 Basic pence per share	Year ending 30 September 2013 Basic pence per share Restated (Note 2)
Earnings per share from continuing operations	**60.4**	31.3	**61.4**	32.1
Effect of dilutive Ordinary Shares	**(0.2)**	(0.1)	**–**	–
Earnings per share from discontinued operations	**9.1**	11.3	**9.2**	11.5
Earnings per share from continuing and discontinued operations	**69.3**	42.5	**70.6**	43.6
Adjusted earnings per share from continuing and discontinued operations	**54.8**	48.6	**55.7**	49.9
Effect of dilutive Ordinary Shares	**(0.2)**	(0.1)	**–**	–
Adjusted earnings per share from continuing and discontinued operations	**54.6**	48.5	**55.7**	49.9

The weighted average number of Ordinary Shares in issue during the year for the purpose of these calculations is as follows:

	Year ending 30 September 2014 Number m	Year ending 30 September 2013 Number m
Number of Ordinary Shares in issue	**393.8**	393.3
Own shares held	**(21.4)**	(15.8)
Basic earnings per share denominator	**372.4**	377.5
Effect of dilutive share options	**5.8**	9.3
Dilutive earnings per share denominator	**378.2**	386.8

15 Analysis of net debt

	Note	At 30 September 2013 £m	Cash flow £m	Fair value hedging adjustments £m	On acquisition of subsidiaries Note 16 £m	Issued on acquisition of subsidiaries Note 16 £m	Foreign exchange movements £m	Other non-cash movements (i) and (ii) £m	At 30 September 2014 £m
Cash and cash equivalents	28	88.5	(58.3)	–	–	–	(1.2)	–	**29.0**
Debt due within one year									
Bonds	32	–	–	–	–	–	–	(153.2)	**(153.2)**
Loan notes	32	(2.0)	1.7	–	(0.8)	(1.8)	–	–	**(2.9)**
Finance lease obligations	32	–	–	–	(0.2)	–	–	–	**(0.2)**
Debt due after one year									
Bonds	32	(674.3)	106.7	0.8	–	–	–	151.2	**(415.6)**
Bank loans	32	–	(61.3)	–	–	–	1.4	–	**(59.9)**
Finance lease obligations	32	–	–	–	(0.2)	–	–	–	**(0.2)**
Net debt before effect of derivatives		(587.8)	(11.2)	0.8	(1.2)	(1.8)	0.2	(2.0)	**(603.0)**
Effect of derivatives on debt	(iii)	14.8	(15.8)	(0.8)	–	–	2.0	–	**0.2**
Net debt		(573.0)	(27.0)	–	(1.2)	(1.8)	2.2	(2.0)	**(602.8)**

The net cash outflow of £58.3 million (2013 £18.0 million) includes a cash outflow of £29.8 million (2013 £21.5 million) in respect of operating exceptional items.

(i) Other non-cash movements comprise the unwinding of the issue discount amounting to £1.7 million (2013 £1.6 million) and amortisation of issue costs of £0.3 million (2013 £0.3 million).

(ii) In December 2013 the Company bought back £49.7 million notional of its 2018 bonds and £149.2 million notional of its 2021 bonds incurring a premium of £24.4 million. On 22 September 2014 the Company announced its invitation to holders of its outstanding 2021 bonds and its outstanding 2018 bonds to tender their bonds for purchase by the Company for cash. On 30 September 2014 the Company announced the results and cash price payable of validly tendered 2018 and 2021 bonds. The total cash price payable by the Company amounted to £193.1 million, including a premium of £39.9 million, which was paid on 1 October 2014. The derecognition of this financial liability and provision for premium payable has not been recorded in these financial statements since the financial liability was not extinguished until post year end as prescribed by IAS 39, Financial Instruments: Recognition and Measurement.

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CONTINUED

15 Analysis of net debt continued

Of this buy-back programme bonds with a nominal value of £149.3 million and a carrying value of £153.2 million were not cash settled until after the year end and as such the short-term obligation has been included in debt due within one year albeit that the payment was funded by bank facilities expiring in March 2019.

After this transaction £218.5 million nominal of the 2018 bonds, £7.2 million nominal of the 2021 bonds and £200.0 million nominal of the 2027 bonds will remain outstanding.

(iii) The effect of derivatives on debt is the net currency gain or loss on derivatives entered into with the intention of economically converting the currency borrowings into an alternative currency.

16 Summary of the effects of acquisitions

In October 2013 dmg information acquired the entire share capital of Decision Insight Information Group (Europe) (DIIG) for consideration of £75.8 million, from DIIG, a portfolio company of the US private equity firm TPG Capital. DIIG is the UK and Ireland's leading property searches group, primarily delivering residential and commercial property search results to legal professionals.

Provisional fair value of net assets acquired with DIIG:

	Book value £m	Provisional fair value adjustments £m	Provisional fair value £m
Goodwill	61.1	(21.9)	39.2
Intangible assets	2.3	45.3	47.6
Property, plant and equipment	1.6	–	1.6
Trade and other receivables	7.6	–	7.6
Cash and cash equivalents	3.7	–	3.7
Trade and other payables	(15.0)	–	(15.0)
Corporation tax	(0.2)		(0.2)
Deferred tax	0.9	(9.1)	(8.2)
Provisions	(0.5)	–	(0.5)
Net assets acquired	**61.5**	**14.3**	**75.8**

Cost of acquisition:

	Cash paid in current year £m
Cash	75.8
Total consideration at fair value	**75.8**

DIIG contributed £47.0 million to the Group's revenue, £6.1 million to the Group's operating profit and £4.6 million to the Group's profit after tax for the period between the date of acquisition and 30 September 2014.

If the above acquisition had been completed on the first day of the financial year, DIIG would have contributed £53.1 million to the Group's revenue for the year £6.9 million operating profit and £5.2 million to the Group's adjusted profit after tax for the year.

In July 2014, Euromoney acquired the trade and certain assets of the mining investment events division of US-based Summit Professional Networks. The principal asset acquired was the world's largest mining event, Investing in African Mining Indaba (Mining Indaba), for a cash consideration of £45.6 million (US$ 78.0 million) offset by a working capital adjustment of £0.2 million (US$ 0.4 million) received in September 2014. The acquisition of Mining Indaba is consistent with Euromoney's strategy to consolidate and strengthen its position in the global metals and mining sector.

Provisional fair value of net assets acquired with Mining Indaba:

	Book value £m	Provisional fair value adjustments £m	Provisional fair value £m
Goodwill	–	23.6	23.6
Intangible assets	–	22.1	22.1
Trade and other receivables	1.6	–	1.6
Trade and other payables	(1.9)	–	(1.9)
Net assets acquired	**(0.3)**	**45.7**	**45.4**

Cost of acquisition:

	Cash paid in current year £m
Cash	45.4
Total consideration at fair value	**45.4**

Mining Indaba contributed £nil to the Group's revenue, a loss of £0.3 million to the Group's operating profit and a loss of £0.3 million to the Group's profit after tax for the period between the date of acquisition and 30 September 2014.

If the above acquisition had been completed on the first day of the financial year, Mining Indaba would have contributed £10.0 million to the Group's revenue for the year, a profit of £4.1 million to the Group's operating profit and £3.2 million to the Group's adjusted profit after tax for the year.

A summary of all notable acquisitions completed during the year is as follows:

Name of acquisition	Segment	% voting rights acquired	Date of acquisition	Business description	Consideration £m	Intangible assets acquired £m	Goodwill arising £m
Decision Insight Information Group (Europe)	dmg information	100.00%	October 2013	Provider of property search information	75.8	47.6	39.2
African Mining Indaba (Mining Indaba)	Euromoney	100.00%	July 2014	Organiser of mining investment events	45.4	22.1	23.6
Infrastructure Journal	Euromoney	100.00%	October 2013	Information provider to the international infrastructure markets	12.5	6.4	7.1
SiteCompli	dmg information	56.40%	July 2014	Provider of property compliance data and software	7.7	3.0	6.0
Xceligent	dmg information	51.70%	October 2013	Provider of commercial property information	8.8	4.8	9.2
Quartz Coatings	dmg events	100.00%	January 2014	Organiser of paint and coatings exhibitions	3.6	1.8	2.1
Energytics	dmg information	100.00%	November 2013	Energy market data and information provider	4.4	1.7	3.2

Provisional fair value of net assets acquired with all acquisitions:

	Note	Book value £m	Provisional fair value adjustments £m	Provisional fair value £m
Goodwill	20, (i)	61.1	34.2	95.3
Intangible assets	21	3.0	87.1	90.1
Property, plant and equipment	22	2.3	–	2.3
Inventories		0.1	–	0.1
Trade and other receivables		12.7	–	12.7
Cash and cash equivalents		11.6	–	11.6
Trade and other payables		(34.3)	–	(34.3)
Bank overdrafts		(0.1)	–	(0.1)
Loan notes	15	(0.8)	–	(0.8)
Finance lease obligations	15	(0.4)	–	(0.4)
Corporation tax		(0.2)	–	(0.2)
Deferred tax	36	0.9	(9.9)	(9.0)
Contingent consideration	35	(0.8)	–	(0.8)
Provisions	35	(0.5)	–	(0.5)
Net assets acquired		**54.6**	**111.4**	**166.0**
Non-controlling interest share of net assets acquired	39			(0.9)
Group share of net assets acquired				**165.1**

NOTES TO THE ACCOUNTS CONTINUED

16 Summary of the effects of acquisitions continued

Cost of acquisition:

	Note	Non-cash £m	Cash paid in current year £m	Total £m
Cash		–	152.7	152.7
Fair value of investment in associate on acquisition of control	(ii)	7.3	–	7.3
Contingent consideration	35, (iii)	2.6	–	2.6
Loan notes	15	1.8	–	1.8
Total consideration at fair value		**11.7**	**152.7**	**164.4**
Directly attributable costs		–	0.7	0.7
Total cost of acquisition		**11.7**	**153.4**	**165.1**

(i) The amount of goodwill which is deductible for the purposes of calculating the Group's tax charge amounts to £nil.

(ii) During the year the Group increased its interest in Xceligent Inc. held by the dmg information segment and obtained control.

(iii) The contingent consideration is based on future business valuations and profit multiples and has been estimated on an acquisition-by-acquisition basis using available data forecasts. The range of undiscounted outcomes for contingent consideration relating to acquisitions in the year is £nil to £19.7 million. Certain contingent consideration arrangements are not capped since they are based on future business performance (Note 35).

The contingent consideration has been discounted back to current values in accordance with IFRS 3, Business Combinations. In each case, the Group has used acquisition accounting to account for the purchase.

If all acquisitions had been completed on the first day of the financial year, Group revenues for the year would have been £1,820.9 million and Group profit attributable to equity holders of the parent would have been £261.3 million. This information takes into account the amortisation of acquired intangible assets together with related income tax effects but excludes any pre-acquisition finance costs and should not be viewed as indicative of the results of operations that would have occurred if the acquisitions had actually been completed on the first day of the financial year.

Total losses attributable to equity holders of the parent since the date of acquisition for companies acquired during the year amounted to £2.1 million.

Goodwill arising on these acquisitions is principally attributable to the anticipated profitability relating to the distribution of the Group's products in new and existing markets and anticipated operating synergies from the business combinations.

Purchase of additional shares in controlled entities

	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Cash consideration	**0.4**	15.8

During the year, the Group acquired additional shares in controlled entities amounting to £0.4 million (2013 £15.8 million) of which £nil (2013 £11.3 million) related to nil (2013 1.2 million) shares in Euromoney. Additionally the Group's interest in Euromoney increased by 1.0% following Euromoney's acquisition of 1.8 million of its own shares during the period. Under the Group's accounting policy for the acquisition of shares in controlled entities, no adjustment has been recorded to the fair value of assets and liabilities already held on the Consolidated Statement of Financial Position. The difference between the cost of the additional shares and the carrying value of the non-controlling interests' share of net assets is adjusted in retained earnings. The adjustment to retained earnings in the year was a credit of £2.3 million (2013 £16.1 million charge).

Reconciliation to purchase of subsidiaries as shown in the Consolidated Cash Flow Statement:

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Cash consideration		**153.4**	65.0
Cash paid to settle contingent consideration in respect of acquisitions	35	**5.1**	6.9
Cash and cash equivalents acquired with subsidiaries		**(11.6)**	(7.0)
Bank overdrafts acquired with subsidiaries		**(0.1)**	–
Purchase of subsidiaries		**146.8**	64.9

Cash paid in respect of contingent consideration relating to prior year acquisitions includes £2.4 million within the dmg information segment and £2.7 million within the Euromoney segment.

The businesses acquired during the year generated £10.6 million to the Group's net operating cash flows and £nil was attributable to investing and financing activities.

17 Summary of the effects of disposals

A summary of notable disposals completed during the period is as follows:

Name of disposal	Segment	Date of disposal	Fair value of consideration £m
Broadbean	dmg media	March 2014	33.4
Oil Careers	dmg media	March 2014	15.9
Jobrapido	dmg media	April 2014	11.1
MIS Training	Euromoney	April 2014	8.1

The impact of the disposal of businesses on net assets is as follows:

	Note	Prior year assets held-for-sale disposed in current year £m	Adjustment on sale £m	Other current year disposals £m	Total £m
Goodwill	20	4.3	–	6.4	10.7
Intangible assets	21	–	–	12.4	12.4
Property, plant and equipment	22	–	–	0.7	0.7
Trade and other receivables		0.1	–	9.3	9.4
Cash at bank and in hand		0.3	(0.3)	2.8	2.8
Trade and other payables		(2.6)	1.9	(13.7)	(14.4)
Bank overdrafts		–	–	(0.1)	(0.1)
Deferred tax	36	–	–	(3.0)	(3.0)
Net assets disposed		**2.1**	**1.6**	**14.8**	**18.5**
Profit on disposal of discontinued operations including recycled cumulative translation differences	18				39.7
Profit on disposal of businesses including recycled cumulative translation differences	8				5.6
					63.8
Satisfied by:					
Cash received					70.7
Working capital adjustment					(0.7)
Directly attributable costs paid					(4.9)
Proceeds receivable					2.1
Provision for directly attributable costs					(5.3)
Recycled cumulative translation differences	8, 18, 38				1.9
					63.8

Reconciliation to disposal of businesses as shown in the Consolidated Cash Flow Statement:

	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Cash consideration net of disposal costs	**65.1**	97.6
Cash and cash equivalents disposed with subsidiaries	**(2.8)**	(1.2)
Proceeds on disposal of businesses	**62.3**	96.4

The Group's tax charge includes £2.9 million (2013 £0.2 million) in relation to these disposals.

In addition, the Group's interest in Euromoney was diluted during the year by 0.9% (2013 0.2%). Under the Group's accounting policy for the disposal of shares in controlled entities, no adjustment has been recorded to the fair value of assets and liabilities already held on the Condensed Consolidated Statement of Financial Position. The difference between the Group's share of net assets before and after this dilution is adjusted in retained earnings. The adjustment to retained earnings in the year was a charge of £2.9 million (2013 £0.7 million).

All of the businesses disposed of during the year generated £1.5 million to the Group's net operating cash flows and £nil was attributable to investing and financing activities.

NOTES TO THE ACCOUNTS
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18 Discontinued operations

In March 2014 the Group disposed of its recruitment businesses Broadbean and Oilcareers within the dmg media segment, followed by the disposal in April 2104 of Jobrapido. The fair value of consideration received amounted to £60.4 million. The results of these digital recruitment businesses up to the point of disposal are included in discontinued operations for the current and prior years. On 31 October 2014 Jobsite was sold to Stepstone UK Holding Limited for £92.0 million. The assets and liabilities of Jobsite are included under assets and liabilities of businesses held-for-sale and the results for the period are included in discontinued operations for the current and prior years.

In November 2012 the Group announced that it had reached an agreement to sell its interests in Northcliffe Media to Local World, a newly formed media group that combined the Group's local media titles with those of Iliffe News and Media Limited. The Group received consideration of £52.5 million and a 38.7% share in Local World together with a working capital adjustment of £16.4 million. The results of Northcliffe Media segment up to the point of disposal are also included as discontinued operations in the prior year.

The Group's Consolidated Income Statement includes the following results from these discontinued operations:

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 Restated (i) £m
Revenue	3	**53.2**	127.3
Expenses		**(37.5)**	(106.7)
Depreciation	3	**(0.7)**	(1.2)
Amortisation of intangible assets not arising on business combinations	3	**(0.5)**	–
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets	3	**14.5**	19.4
Exceptional operating costs	3, 13	**(0.1)**	(5.4)
Impairment of goodwill and intangible assets	3	**(15.2)**	(3.9)
Amortisation of intangible assets arising on business combinations	3	**(1.4)**	(3.1)
(Operating loss)/profit before tax		**(2.2)**	7.0
Tax charge	11	**(0.3)**	(1.9)
(Operating loss)/profit after tax attributable to discontinued operations		**(2.5)**	5.1
Profit on disposal of discontinued operations	13, 17	**38.3**	33.7
Recycled cumulative translation differences on disposal of discontinued operations	13, 17	**1.4**	–
Tax (charge)/credit on profit on disposal of discontinued operations	11	**(2.9)**	4.9
Profit attributable to discontinued operations		**34.3**	43.7

(i) Restated to include the prior year information for the digital recruitment businesses classified as discontinued operations in the current year.

Cash flows associated with discontinued operations comprise operating cash flows of £10.5 million (2013 £10.2 million), investing cash flows of £nil (2013 £nil) and financing cash flows of £nil (2013 £nil).

19 Total assets and liabilities of businesses held-for-sale

Following the year end the dmg information segment disposed of its interest in Lewtan, a provider of analytical tools and data for the structured finance market, to Moody's Corporation and dmg media disposed of its remaining interests in its digital recruitment assets. The main classes of assets and liabilities comprising the operations classified as held-for-sale are set out in the following table. These assets and liabilities are recorded at their fair value with all losses taken to the Consolidated Income Statement.

In the prior year, the assets and liabilities held-for-sale represent those of certain businesses in the Group's national newspaper segment. In the year to 30 September 2012 the assets and liabilities held-for-sale represent the Group's local media segment.

	Note	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Goodwill	20	**43.4**	4.6	12.2
Intangible assets	21	**11.5**	–	3.8
Deferred tax	36	**0.2**	–	6.4
Property, plant and equipment	22	**2.0**	1.9	17.7
Interests in joint ventures	24	**–**	–	1.1
Interests in associates	24	**–**	–	0.4
Inventories	26	**–**	–	0.6
Trade and other receivables	27	**17.9**	2.0	26.9
Cash and cash equivalents	28	**0.5**	0.6	2.6
Total assets associated with businesses held-for-sale		**75.5**	9.1	71.7
Trade and other payables	29	**(16.9)**	(4.0)	(31.4)
Current tax	30	**(2.8)**	–	–
Deferred tax	36	**(3.4)**	–	–
Provisions	35	**(0.3)**	(0.2)	(2.2)
Total liabilities associated with businesses held-for-sale		**(23.4)**	(4.2)	(33.6)
Net assets of the disposal group		**52.1**	4.9	38.1

20 Goodwill

	Note	Goodwill £m
Cost		
At 30 September 2012		752.0
Additions		52.2
Adjustment to previous year estimate of contingent consideration		0.4
Disposals		(0.5)
Classified as held-for-sale	19	(5.0)
Exchange adjustment		(2.8)
At 30 September 2013		796.3
Additions	16	95.3
Disposals	17	(14.5)
Classified as held-for-sale	19	(58.7)
Exchange adjustment		(1.1)
At 30 September 2014		**817.3**

	Note	Goodwill £m
Accumulated impairment losses		
At 30 September 2012		64.9
Impairment	3	0.4
Disposals		(0.1)
Classified as held-for-sale	19	(0.4)
At 30 September 2013		64.8
Impairment	3	11.6
Disposals	17	(8.1)
Classified as held-for-sale	19	(15.6)
At 30 September 2014		**52.7**
Net book value – 2012		687.1
Net book value – 2013		731.5
Net book value – 2014		**764.6**

Goodwill impairment losses recognised in the year amounted to £11.6 million (2013 £0.4 million).

NOTES TO THE ACCOUNTS
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20 Goodwill continued
The Group's policy on impairment of goodwill is set out in Note 2.

Further disclosures in accordance with paragraph 134 of IAS 36, Impairment of assets, are provided where the Group holds an individual goodwill item relating to a CGU that is significant, which the Group considers to be 15.0% of the total net book value, in comparison with the Group's total carrying value of goodwill.

The only significant items of goodwill included in the net book value above relate to BCA, a business within Metal Bulletin in the Euromoney segment and Genscape in the dmg information segment.

Genscape has a carrying value of £80.3 million (2013 £76.2 million) together with intangible assets with a carrying value of £34.2 million (2013 £28.5 million). The carrying value of Genscape has been determined using a value in use calculation in line with IAS 36. The methodology applied to the value in use calculations reflects past experience and external sources of information including:

(i) Forecasts by the business based on cash flows derived from budgets for 2014. The Directors believe these to be reasonably achievable;
(ii) Subsequent cash flows for one additional year increased in line with growth expectations of the business;
(iii) A pre-tax discount rate of 12.5%; and
(iv) Long-term nominal growth rates of 3.0%.

Using the above methodology the recoverable amount exceeded the total carrying value by £118.8 million (2013 £75.6 million). For this business the Directors performed a sensitivity analysis on the total carrying value of the CGU. For the recoverable amount to be equal to the carrying value the discount rate would need to increase by 6.59% to 19.09% (2013 by 5.36% to 17.86%) or the long-term growth rate would need to reduce by 11.14% to -8.14% (2013 by 6.82% to -3.82%).

BCA has a carrying value of £142.6 million (2013 £142.8 million) together with intangible assets with a carrying value of £50.9 million (2013 £56.5 million). The carrying value of BCA has been determined using a value in use calculation in line with IAS 36. The methodology applied to the value in use calculations reflects past experience and external sources of information including:

(i) Forecasts by the business based on cash flows derived from budgets for 2014. The Directors believe these to be reasonably achievable;
(ii) Subsequent cash flows for one additional year increased in line with growth expectations of the business;
(iii) A pre-tax discount rate of 9.5%; and
(iv) Long-term nominal growth rates of 0%.

Using the above methodology the recoverable amount exceeded the total carrying value by £155.3 million (2013 £109.0 million). For this business the Directors performed a sensitivity analysis on the total carrying value of the CGU. For the recoverable amount to be equal to the carrying value the discount rate would need to increase by 10.3% to 19.8% (2013 by 9.3% to 18.8%) or the long-term growth rate would need to decline by 28.9% to -28.9% (2013 by 24.8% to -24.8%).

The carrying values of the Group's significant items of goodwill in relation to material business combinations, which the Group considers to be those which have a purchase consideration in excess of £100.0 million, are further analysed as follows:

	Metal Bulletin plc £m
Cost	
At 30 September 2012	199.1
Exchange adjustment	(0.4)
At 30 September 2013	198.7
Exchange adjustment	(0.2)
At 30 September 2014	**198.5**

	Metal Bulletin plc £m
Accumulated impairment losses	
At 30 September 2012, 30 September 2013 and 30 September 2014	2.8
Net book value – 2012	196.3
Net book value – 2013	195.9
Net book value – 2014	**195.7**

The impairment charge is analysed by major CGU as follows:

CGU	Segment	Goodwill impairment £m	Intangible asset impairment £m	2014 Discount rate %	2013 Discount rate %	Reason for impairment charge
RMS(one)	RMS	–	44.6	10.0%	10.0%	Revisions to the timing of RMS(one) releases and anticipated phasing of client adoption
Jobrapido	dmg media	8.1	7.1	n/a	9.5%	Disposal
Teletext	dmg media	3.5	–	n/a	n/a	Disposal
Mail plus	dmg media	–	1.1	n/a	n/a	Termination of projects
Metroplay	dmg media	–	0.3	n/a	n/a	Termination of projects
Total		**11.6**	**53.1**			

Recoverable amounts have been determined using value in use calculations for all of the above CGUs.

21 Other intangible assets

	Note	Publishing rights, mastheads and titles £m	Brands £m	Customer related databases £m	Computer software (Note ii) £m	Other £m	Total £m
Cost							
At 30 September 2012		290.2	88.7	133.6	156.7	6.9	676.1
Analysis reclassifications	(i)	(39.1)	(4.9)	42.7	1.2	0.1	–
Additions		0.2	10.6	23.3	4.5	–	38.6
Internally generated		–	–	–	66.7	–	66.7
Disposals		(0.4)	(0.2)	(3.2)	(16.0)	(0.2)	(20.0)
Exchange adjustment		(0.3)	(0.9)	(0.5)	(5.9)	0.1	(7.5)
At 30 September 2013		250.6	93.3	195.9	207.2	6.9	753.9
Additions from business combinations	16	1.7	22.8	54.2	9.3	2.1	90.1
Additions		–	1.0	–	3.2	0.4	4.6
Internally generated	(ii)	–	–	–	71.8	–	71.8
Disposals	17	(3.9)	(6.0)	(30.4)	(7.9)	(0.1)	(48.3)
Classified as held-for-sale	19	–	(7.4)	(13.7)	(7.7)	(0.4)	(29.2)
Reclassifications		–	–	–	–	(1.6)	(1.6)
Exchange adjustment		(0.1)	(0.3)	(0.8)	1.2	0.1	0.1
At 30 September 2014		**248.3**	**103.4**	**205.2**	**277.1**	**7.4**	**841.4**

	Note	Publishing rights, mastheads and titles £m	Brands £m	Customer related databases £m	Computer software (Note ii) £m	Other £m	Total £m
Accumulated amortisation							
At 30 September 2012		183.9	60.2	62.6	86.5	1.5	394.7
Analysis reclassifications	(i)	(25.5)	(7.1)	31.5	1.1	–	–
Charge for the year		2.3	12.5	15.6	20.0	0.7	51.1
Impairment	3	–	–	–	7.9	–	7.9
Disposals		(0.4)	(0.2)	(3.1)	(15.9)	(0.2)	(19.8)
Exchange adjustment		(0.2)	(0.6)	(0.2)	(4.4)	0.1	(5.3)
At 30 September 2013		160.1	64.8	106.4	95.2	2.1	428.6
Charge for the year	3	7.5	7.8	17.7	18.6	0.8	52.4
Impairment	3	–	–	7.1	45.9	0.1	53.1
Disposals	17	(3.9)	(4.1)	(22.5)	(5.4)	–	(35.9)
Classified as held-for-sale	19	–	(3.6)	(9.9)	(4.2)	–	(17.7)
Reclassifications		–	(0.7)	0.8	(1.2)	–	(1.1)
Exchange adjustment		0.1	–	–	1.3	(0.1)	1.3
At 30 September 2014		**163.8**	**64.2**	**99.6**	**150.2**	**2.9**	**480.7**
Net book value – 2012		106.3	28.5	71.0	70.2	5.4	281.4
Net book value – 2013		90.5	28.5	89.5	112.0	4.8	325.3
Net book value – 2014		**84.5**	**39.2**	**105.6**	**126.9**	**4.5**	**360.7**

NOTES TO THE ACCOUNTS CONTINUED

21 Other intangible assets continued

(i) In the prior year the Group reanalysed the classification of other intangible assets following a review of underlying data.

(ii) Computer software includes purchased and internally generated intangible assets, not forming part of a business combination, as follows:

	Note	£m
Cost		
At 30 September 2012		134.7
Additions		66.7
Disposals		(16.0)
Analysis reclassifications		3.0
Exchange adjustment		(1.8)
At 30 September 2013		186.6
Additions		75.1
Disposals		(6.7)
Analysis reclassifications		(1.6)
Classified as held-for-sale	19	(7.7)
Exchange adjustment		1.2
At 30 September 2014		**246.9**
Accumulated amortisation		
At 30 September 2012		74.4
Analysis reclassifications		2.9
Charge for the year		16.9
Impairment		7.9
Disposals		(15.9)
Exchange adjustment		(0.2)
At 30 September 2013		86.0
Analysis reclassifications		(1.2)
Charge for the year		14.3
Impairment		45.9
Disposals		(4.1)
Classified as held-for-sale	19	(4.2)
Exchange adjustment		0.6
At 30 September 2014		**137.3**
Net book value – 2012		60.3
Net book value – 2013		100.6
Net book value – 2014		**109.6**

The following table analyses intangible assets in the course of construction included in the internally generated intangibles above, on which no amortisation has been charged in the year.

	£m
Cost	
At 30 September 2012	22.0
Additions	46.3
Exchange adjustment	(1.3)
At 30 September 2013	67.0
Additions	13.3
Impairment	(44.6)
Projects completed	(13.4)
Exchange adjustment	(9.5)
At 30 September 2014	**12.8**

The RMS(one) intangible asset has a carrying value of £41.2 million (2013 £52.2 million) which has been determined using a value in use calculation in line with IAS 36. The methodology applied to the value in use calculations reflects past experience and external sources of information including:

(i) Forecasts by the business based on cash flows derived from budgets for 2014. The Directors believe these to be reasonably achievable;
(ii) Cash flows over the six years post launch;
(iii) The rate at which Core clients start to use the RMS(one) platform;
(iv) A pre-tax discount rate of 14.7%; and
(v) Long-term nominal growth rates of 3.0% in the Core business.

Using the above methodology the recoverable amount was lower than the total carrying value by £44.6 million (2013 exceeded carrying value by £203.7 million). Accordingly, an impairment charge was recorded in the year amounting to £44.6 million.

The methodologies applied to the Group's CGUs when testing for impairment and details of the above impairment charge, are set out in Note 2.

The carrying values of the Group's larger intangible assets are further analysed as follows:

	Segment	At 30 September 2014 Carrying value £m	At 30 September 2013 Carrying value £m	At 30 September 2012 Carrying value £m	At 30 September 2014 Remaining amortisation period Years	At 30 September 2013 Remaining amortisation period Years	At 30 September 2012 Remaining amortisation period Years
BCA mastheads	Euromoney	**44.4**	48.5	52.9	**21.8**	22.8	23.8
RMS(one)	RMS	**41.2**	52.2	22.0	**n/a**	n/a	n/a
DIIG	dmg information	**34.0**	–	–	**10.0**	–	–
Ned Davis Research Group customer relationships	Euromoney	**18.9**	21.1	23.4	**8.8**	9.8	10.8
Associated Mediabase software	dmg media	**17.2**	12.8	15.1	**2.7**	3.7	4.7
Hobsons	dmg information	**17.1**	13.6	10.3	**3.0**	3.0	3.0
Metal Bulletin mastheads	Euromoney	**14.6**	16.0	20.9	**21.8**	22.8	23.8
Mining Indaba	Euromoney	**14.3**	–	–	**20.0**	–	–
Genscape intellectual property	dmg information	**10.9**	11.9	12.8	**11.5**	12.5	13.5
Delphi	Euromoney	**7.5**	6.7	0.6	**4.0**	n/a	n/a
BCA customer relationships	Euromoney	**6.4**	8.0	9.8	**7.4**	8.4	9.4
Quest customer relationships	dmg information	**4.3**	5.8	7.4	**3.0**	4.0	5.0

RMS(one) has not yet been brought into use and accordingly no amortisation has been charged.

22 Property, plant and equipment

	Note	Freehold properties £m	Long leasehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Cost						
At 30 September 2012		80.3	33.1	34.9	435.3	583.6
Owned by subsidiaries acquired		–	–	–	0.1	0.1
Additions		2.0	–	1.9	23.8	27.7
Disposals		(0.2)	(27.5)	(0.3)	(148.4)	(176.4)
Classified as held-for-sale	19	–	–	–	(2.8)	(2.8)
Owned by subsidiaries disposed		–	–	–	(0.3)	(0.3)
Transfers to investment property	23	(19.0)	–	–	–	(19.0)
Reclassifications		–	–	(0.7)	0.5	(0.2)
Exchange adjustment		0.2	–	–	–	0.2
At 30 September 2013		63.3	5.6	35.8	308.2	412.9
Owned by subsidiaries acquired	16	–	–	–	2.3	2.3
Additions		–	–	5.4	24.0	29.4
Disposals		(1.9)	–	(0.5)	(33.6)	(36.0)
Classified as held-for-sale	19	–	–	–	(13.9)	(13.9)
Owned by subsidiaries disposed	17	–	–	(0.2)	(1.7)	(1.9)
Reclassifications		3.9	–	–	1.9	5.8
Exchange adjustment		–	0.1	0.2	(0.6)	(0.3)
At 30 September 2014		**65.3**	**5.7**	**40.7**	**286.6**	**398.3**

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22 Property, plant and equipment continued

	Note	Freehold properties £m	Long leasehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Accumulated depreciation and impairment						
At 30 September 2012		18.5	14.2	17.9	294.9	345.5
Charge for the year	3	2.5	0.3	3.3	27.8	33.9
Accelerated charge		–	–	–	15.2	15.2
Disposals		(0.2)	(27.5)	(0.3)	(146.8)	(174.8)
Classified as held-for-sale	19	–	–	–	(0.9)	(0.9)
Transfers to investment property	23	(14.4)	–	–	–	(14.4)
Reclassifications		–	14.1	(0.4)	(13.9)	(0.2)
Exchange adjustment		–	–	(0.1)	0.1	–
At 30 September 2013		6.4	1.1	20.4	176.4	204.3
Charge for the year	3	3.0	0.1	2.6	28.9	34.6
Disposals		(0.5)	–	(0.5)	(28.9)	(29.9)
Classified as held-for-sale	19		–	–	(12.0)	(12.0)
Owned by subsidiaries disposed	17	–	–	–	(1.2)	(1.2)
Reclassifications		3.9	–	–	1.4	5.3
Exchange adjustment		–	–	–	(0.5)	(0.5)
At 30 September 2014		**12.8**	**1.2**	**22.5**	**164.1**	**200.6**
Net book value – 2012		61.8	18.9	17.0	140.4	238.1
Net book value – 2013		56.9	4.5	15.4	131.8	208.6
Net book value – 2014		**52.5**	**4.5**	**18.2**	**122.5**	**197.7**

The following table analyses assets in the course of construction included in property, plant and equipment above:

	Freehold properties £m	Long leasehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Assets in the course of construction					
Cost and net book value					
At 30 September 2012	15.1	0.1	1.2	23.0	39.4
Projects completed	(15.1)	(0.1)	(1.4)	(21.8)	(38.4)
Disposals	–	–	–	(1.2)	(1.2)
Additions	–	–	0.2		0.2
At 30 September 2013 and 30 September 2014	**–**	**–**	**–**	**–**	**–**

23 Investment property

	Note	Freehold properties £m
Cost		
At 30 September 2012		27.2
Transfers from property, plant and equipment	22	19.0
Disposals		(18.8)
At 30 September 2013		27.4
Disposals		(1.8)
At 30 September 2014		**25.6**

	Note	Freehold properties £m
Accumulated depreciation and impairment		
At 30 September 2012		20.4
Transfers from property, plant and equipment	22	14.4
Disposals		(14.6)
Charge for the year	3	0.3
Impairment	3	1.5
At 30 September 2013		22.0
Disposals		(1.5)
Charge for the year	3	0.2
Impairment	3	0.6
At 30 September 2014		**21.3**
Net book value – 2012		6.8
Net book value – 2013		5.4
Net book value – 2014		**4.3**

The fair value of the Group's investment properties at 30 September 2014 was £4.6 million (2013 £6.3 million). This was arrived at by reference to market evidence for similar properties and was carried out by an officer of the Group's property department. Property rental income earned by the Group from its investment properties amounted to £0.3 million (2013 £0.7 million). Direct operating expenses arising on the investment properties in the year amounted to £1.4 million (2013 £0.3 million). Leases on these properties have an expiry date of between one and five years.

24 Investments in joint ventures and associates

	Note	Cost of shares £m	Share of post-acquisition retained reserves £m	Total £m
Joint ventures				
At 30 September 2012		150.7	(13.4)	137.3
Additions – cash		1.2	–	1.2
Disposals		0.1	(0.1)	–
Impairment	7	(7.2)	–	(7.2)
Share of retained reserves		–	9.1	9.1
Dividends received	(i)	–	(5.3)	(5.3)
Exchange adjustment		(2.3)	2.1	(0.2)
At 30 September 2013		142.5	(7.6)	134.9
Additions – cash		10.2	–	10.2
Disposals		(62.0)	8.0	(54.0)
Share of retained reserves	7	–	5.7	5.7
Dividends received	(i)	–	(18.8)	(18.8)
Impairment	7	(0.4)	–	(0.4)
Transfer to investment in associates	(ii)	(79.1)	1.0	(78.1)
Exchange adjustment		–	1.0	1.0
At 30 September 2014		**11.2**	**(10.7)**	**0.5**

(i) Dividends received in the current and prior year relate to the Group's interest in Zoopla.

(ii) Following the IPO of Zoopla Property Group Plc during the year the Group disposed of 38.9% of its 52.1% holding in Zoopla. The Group's remaining 31.8% holding has been classified within associates.

NOTES TO THE ACCOUNTS
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24 Investments in joint ventures and associates continued

Summary aggregated financial information for the Group's joint ventures, extracted on a 100% basis from the joint ventures' own financial information at 30 September 2014 is set out below:

Year ending 30 September 2014	Revenue £m	Operating profit £m	Total expenses £m	Profit for the year £m
dmg information	**31.7**	**0.6**	**(31.6)**	**0.1**
dmg media	**59.5**	**20.5**	**(46.4)**	**13.1**
	91.2	**21.1**	**(78.0)**	**13.2**

At 30 September 2014	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net assets/ (liabilities) £m
dmg information	**7.8**	**12.0**	**19.8**	**(6.4)**	**(2.2)**	**(8.6)**	**11.2**
dmg media	**1.4**	**4.2**	**5.6**	**(8.2)**	**(2.4)**	**(10.6)**	**(5.0)**
	9.2	**16.2**	**25.4**	**(14.6)**	**(4.6)**	**(19.2)**	**6.2**

Year ending 30 September 2013	Revenue £m	Operating profit/(loss) £m	Total expenses £m	Profit/(loss) for the year £m
dmg information	14.5	(0.7)	(15.4)	(0.9)
dmg media	70.8	27.1	(46.7)	24.1
	85.3	26.4	(62.1)	23.2

At 30 September 2013	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net assets £m
dmg information	6.7	9.5	16.2	(3.8)	(1.4)	(5.2)	11.0
dmg media	76.8	36.3	113.1	(14.9)	(2.0)	(16.9)	96.2
	83.5	45.8	129.3	(18.7)	(3.4)	(22.1)	107.2

Year ending 30 September 2012	Revenue £m	Operating profit/(loss) £m	Total expenses £m	Profit/(loss) for the year £m
dmg information	12.5	(0.2)	(12.7)	(0.2)
dmg media	61.3	11.3	(54.9)	6.4
	73.8	11.1	(67.6)	6.2

At 30 September 2012	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net assets £m
dmg information	8.5	5.8	14.3	(2.0)	(0.2)	(2.2)	12.1
dmg media	71.3	18.6	89.9	(8.2)	–	(8.2)	81.7
	79.8	24.4	104.2	(10.2)	(0.2)	(10.4)	93.8

At 30 September 2014 the Group's joint ventures had capital commitments amounting to £nil (2013 £nil, 2012 £1.0 million). There were no material contingent assets (2013 none, 2012 none). Net liabilities amounting to £nil (2013 £nil, 2012 £1.0 million) within the dmg media segment are held-for-sale.

Information on principal joint ventures:

	Segment	Principal activity	Year ended	Description of holding	Group interest %
Unlisted					
Mail Today Newspapers Pvt. Limited (incorporated and operating in India)	dmg media	Publisher of classified publications	30 September 2014	Ordinary	26.00%
The Sanborn Map Company, Inc. (incorporated and operating in the US)	dmg information	Photogrammetric mapping and GIS data conversion	30 September 2014	Preferred stock	49.00%
TreppPort, Inc. (incorporated and operating in the US)	dmg information	Data analysis for CRE related exposure	30 September 2014	Ordinary	50.00%

	Note	Cost of shares £m	Share of post acquisition retained reserves £m	Total £m
Associates				
At 30 September 2012		31.5	(20.0)	11.5
Additions – cash		3.7	–	3.7
Additions – non-cash		27.5	–	27.5
Loans capitalised		5.1	–	5.1
Share of retained reserves		–	3.8	3.8
Dividends received	(i)	–	(0.3)	(0.3)
Impairment		(0.3)	–	(0.3)
Disposals		(0.1)	–	(0.1)
Exchange adjustment		(0.6)	0.4	(0.2)
At 30 September 2013		66.8	(16.1)	50.7
Additions – cash		10.3	–	10.3
Share of retained reserves	7	–	9.4	9.4
Dividends received	(i)	–	(6.4)	(6.4)
Impairment	7	(0.4)	–	(0.4)
Transfer to investment in subsidiaries	16	(7.0)	4.3	(2.7)
Transfer from investment in joint ventures	(ii)	79.1	(1.0)	78.1
Exchange adjustment		0.1	(0.5)	(0.4)
At 30 September 2014		**148.9**	**(10.3)**	**138.6**

(i) Dividends received in the current and prior year relate to Capital Net Ltd and GGA Pte Ltd within the Euromoney segment.

The unrecognised share of losses of the Group's associates principally comprises £10.5 million (2013 £11.8 million, 2012 £10.4 million) in relation to the Group's investment in ITN.

Joint ventures and associates have been accounted for under the equity method using unaudited financial information to 30 September 2014. Net assets amounting to £nil (2013 £nil, 2012 £1.1 million) within the dmg media segment are held-for-sale.

(ii) Following the IPO of Zoopla during the year the Group disposed of 38.9% of its 52.1% holding in Zoopla Property Group Plc. The Group's remaining 31.8% holding has been classified within associates.

Summary aggregated financial information for the Group's associates, extracted on a 100% basis from the associates' own financial information is set out below:

Year ending 30 September 2014	Revenue £m	Operating profit/(loss) £m	Total expenses £m	Profit/(loss) for the year £m
RMS	**2.5**	**(1.1)**	**(3.6)**	**(1.1)**
dmg information	**28.2**	**(0.2)**	**(28.6)**	**(0.4)**
dmg events	**0.8**	**–**	**(0.8)**	**–**
Euromoney	**2.4**	**1.1**	**(1.6)**	**0.8**
dmg media	**199.9**	**45.1**	**(173.7)**	**26.2**
	233.8	**44.9**	**(208.3)**	**25.5**

NOTES TO THE ACCOUNTS
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24 Investments in joint ventures and associates continued

At 30 September 2014	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net assets £m
RMS	**5.9**	**6.4**	**12.3**	**(1.4)**	**–**	**(1.4)**	**10.9**
dmg information	**9.9**	**22.9**	**32.8**	**(16.4)**	**(4.8)**	**(21.2)**	**11.6**
dmg events	**–**	**0.5**	**0.5**	**(0.4)**	**–**	**(0.4)**	**0.1**
Euromoney	**–**	**0.9**	**0.9**	**(0.3)**	**–**	**(0.3)**	**0.6**
dmg media	**76.7**	**163.9**	**240.6**	**(67.6)**	**(9.6)**	**(77.2)**	**163.4**
	92.5	**194.6**	**287.1**	**(86.1)**	**(14.4)**	**(100.5)**	**186.6**

Year ending 30 September 2013	Revenue £m	Operating profit/(loss) £m	Total expenses £m	Profit/(loss) for the year £m
RMS	1.8	(0.7)	(0.6)	1.2
dmg information	17.6	(5.8)	(24.3)	(6.7)
Euromoney	2.4	1.1	(1.6)	0.8
dmg media	285.1	32.2	(272.6)	12.5
	306.9	26.8	(299.1)	7.8

At 30 September 2013	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net assets £m
RMS	3.3	6.0	9.3	(0.1)	–	(0.1)	9.2
dmg information	14.8	14.7	29.5	(19.5)	(3.7)	(23.2)	6.3
dmg events	–	0.5	0.5	(0.4)	–	(0.4)	0.1
Euromoney	–	0.9	0.9	(0.3)	–	(0.3)	0.6
dmg media	98.8	86.2	185.0	(67.4)	(94.1)	(161.5)	23.5
	116.9	108.3	225.2	(87.7)	(97.8)	(185.5)	39.7

Year ending 30 September 2012	Revenue £m	Operating (loss)/profit £m	Total expenses £m	(Loss)/profit for the year £m
RMS	1.2	(0.8)	(1.9)	(0.7)
dmg information	1.5	(3.0)	(4.4)	(2.9)
Euromoney	2.4	1.1	(1.5)	0.9
dmg media	176.9	4.5	(174.1)	2.8
	182.0	1.8	(181.9)	0.1

At 30 September 2012	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net (liabilities)/ assets £m
RMS	2.6	5.6	8.2	(0.3)	–	(0.3)	7.9
dmg information	10.0	0.5	10.5	(7.5)	(3.5)	(11.0)	(0.5)
Euromoney	–	0.8	0.8	(0.3)	–	(0.3)	0.5
dmg media	15.0	47.6	62.6	(40.7)	(118.2)	(158.9)	(96.3)
	27.6	54.5	82.1	(48.8)	(121.7)	(170.5)	(88.4)

At 30 September 2014 the Group's associates had capital commitments amounting to £nil (2013 £nil, 2012 £nil). There were no material contingent liabilities (2013 none, 2012 none).

Information on principal associates:

	Segment	Note	Principal activity	Year ended	Description of holding	Group interest %
Unlisted						
Zoopla Property Group Plc (incorporated and operating in the UK)	dmg media	(i)	Online property portal	30 September 2014	Ordinary	31.80%
Local World (incorporated and operating in the UK)	dmg media		Publisher of local news	30 September 2014	Ordinary	38.70%
Real Capital Analytics, Inc. (incorporated and operating in the US)	dmg information		Provider of real estate information	30 September 2014	Preferred stock	39.73%
Independent Television News Limited (incorporated and operating in the UK)	dmg media		Independent TV news provider	31 December 2013	Ordinary	20.00%
Praedicat, Inc. (incorporated and operating in the US)	RMS		Provision of catastrophe risk analytics	30 September 2014	Preferred stock	29.60%

(i) In the prior year the Group had joint management control of Zoopla Property Group Plc and the Group's investment was treated as a joint venture. During the year the Group disposed of 38.9% of its 52.1% holding in Zoopla Property Group Plc following Zoopla Property Group Plc's IPO and the Group's investment is now classified as an associate. The market value of the Group's investment in Zoopla Property Group Plc at 30 September 2014 was £314.1 million.

The Group does not have the power to control the majority of shareholder voting rights nor the Board of Directors. With an effective interest of 31.8% the Group has treated this investment as an associated undertaking.

Summary financial information for Zoopla Property Group Plc, extracted on a 100% basis from Zoopla Property Group Plc's own financial statements, for the year to September 2014 is set out below:

	£m
Revenue	80.2
Depreciation and amortisation	(1.7)
Profit from continuing operations	28.5
Interest income	0.2
Tax charge	(7.6)
Post-tax profit from operations	21.1
Total comprehensive income	21.1

	£m
Non-current assets	77.1
Cash and cash equivalents	31.0
Other current assets	5.9
Total assets	114.0
Current liabilities	(15.2)
Non-current liabilities	(0.6)
Total liabilities	(15.8)
Net (liabilities)/assets	98.2

NOTES TO THE ACCOUNTS CONTINUED

24 Investments in joint ventures and associates continued

Summary financial information for Local World, extracted on a 100% basis from Local World's own financial statements, for the year to 31 December 2013 and management information to 30 September 2014 is set out below:

	£m
Revenue	223.4
Depreciation and amortisation	(21.2)
Profit from continuing operations	17.0
Interest expense	(0.8)
Tax charge	(5.3)
Post-tax profit from operations	10.9
Total comprehensive income	10.9

	£m
Non-current assets	64.2
Cash and cash equivalents	25.7
Other current assets	33.0
Total assets	122.9
Current financial liabilities	(14.4)
Current liabilities	(36.0)
Total liabilities	(50.4)
Net assets	72.5

25 Non-current assets – available-for-sale investments

	Unlisted £m
At 30 September 2012	1.5
Additions	2.1
Disposals	(0.7)
Exchange adjustment	(0.2)
At 30 September 2013	2.7
Additions	4.1
Disposals	(0.4)
Exchange adjustment	0.4
At 30 September 2014	**6.8**

The investments above represent unlisted securities, which are recorded as non-current assets unless they are expected to be sold within one year, in which case they are recorded as current assets. Since there is no active market upon which they are traded, unlisted securities are recorded at cost less provision for impairment, as their fair values cannot be reliably measured.

Available-for-sale investments are analysed as follows:

	Note	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Unlisted				
WellAware Holdings, Inc.	(i)	**3.1**	–	–
Pascal Metrics, Inc.	(ii)	**0.6**	–	–
Chemd Holdings Limited	(iii)	**0.5**	0.5	–
Other		**2.6**	2.2	1.5
		6.8	2.7	1.5

(i) WellAware Holdings, Inc. provides oilfield data collection, storage, visualisation and decision analysis, delivering intelligence to its customers.

(ii) Pascal Metrics, Inc. is used by healthcare organisations, including hospitals, to improve patient safety and clinical reliability by measuring and using workforce and clinical data.

(iii) Chemd Holdings Limited is the holding company for ChemistDirect, an online pharmacy-led health and beauty retailer.

Information on principal available-for-sale investments, taken from the latest published accounts is as follows:

	Note	Class of holding	Group interest %
The Press Association Limited (incorporated and operating in the UK)		Ordinary	15.6%
Spot Runner, Inc. (incorporated and operating in the US)		Common stock	5.3%
Chemd Holdings Limited (incorporated and operating in the UK)		Ordinary	5.0%
Cue Ball Capital LP (incorporated and operating in the US)		Limited Partner	3.0%
WellAware Holdings, Inc. (incorporated and operating in the US)		Convertible preferred stock	4.3%
Pascal Metrics, Inc. (incorporated and operating in the US)		Ordinary	2.6%
Financial Network Analytics Limited (incorporated and operating in the UK)		Ordinary	10.0%
Evening Standard Limited (incorporated and operating in the UK)	(i)	Ordinary	24.9%

(i) The Group has no Board representation and no influence over the day-to-day management of the Evening Standard Limited. Accordingly, the Group has treated this investment as an available-for-sale investment.

Currency analysis of available-for-sale investments:

	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Sterling	**0.7**	2.2	0.3
US dollar	**5.7**	0.5	0.9
Euro	**0.4**	–	0.2
Other	**–**	–	0.1
	6.8	2.7	1.5

Interest analysis of available-for-sale investments:

	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Non-interest bearing	**6.8**	2.7	1.5

26 Inventories

	Note	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Raw materials and consumables		**8.4**	9.2	10.9
Work in progress		**15.5**	16.0	18.0
		23.9	25.2	28.9
Classified as held-for-sale	19	**–**	–	(0.6)
		23.9	25.2	28.3

NOTES TO THE ACCOUNTS
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27 Trade and other receivables

	Note	At 30 September 2014 £m	At 30 September 2013 Restated (Note 2) £m	At 30 September 2012 Restated (Note 2) £m
Current assets				
Trade receivables		**209.8**	217.6	255.7
Allowance for doubtful debts		**(12.8)**	(22.2)	(24.5)
		197.0	195.4	231.2
Prepayments and accrued income		**88.1**	89.8	109.9
Other debtors		**21.8**	19.6	14.5
		306.9	304.8	355.6
Classified as held-for-sale	19	**(17.9)**	(2.0)	(26.9)
		289.0	302.8	328.7
Non-current assets				
Prepayments and accrued income		**1.8**	2.4	6.0
Other debtors		**5.0**	8.8	8.6
		6.8	11.2	14.6
		295.8	314.0	343.3

In the prior year commercial and financial changes to terms and collections of certain trade receivables in the dmg media segment, resulted in a one-off reduction in year-on-year working capital of approximately £60.0 million.

Movement in the allowance for doubtful debts:

	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
At start of year	**(22.2)**	(24.5)	(27.6)
Impairment losses recognised	**(8.4)**	(5.5)	(8.2)
Amounts written off as uncollectable	**13.5**	1.6	7.0
Amounts recovered during the year	**4.3**	4.6	3.7
Owned by subsidiaries disposed	**–**	1.5	0.2
Exchange adjustment	**–**	0.1	0.4
At end of year	**(12.8)**	(22.2)	(24.5)

In determining the allowance for doubtful debts the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the period end date.

Ageing of impaired trade receivables:

	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
0 – 30 days	**2.7**	4.1	4.6
31 – 60 days	**0.6**	0.8	0.5
61 – 90 days	**0.8**	0.4	0.5
91 – 120 days	**0.2**	0.5	0.7
121+ days	**8.5**	16.4	18.2
Total	**12.8**	22.2	24.5

Included in the Group's trade receivables are debtors with a carrying value of £53.2 million (2013 £73.4 million, 2012 £80.0 million) which are past due at 30 September 2014 for which no allowance has been made. The Group is not aware of any deterioration in the credit quality of these customers and considers that the amounts are still recoverable.

Ageing of past due but not impaired receivables:

	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
1 – 30 days overdue	**23.8**	36.2	36.9
31 – 60 days overdue	**14.8**	15.6	19.6
61 – 90 days overdue	**6.0**	11.2	9.8
91 + days overdue	**8.6**	10.4	13.7
Total	**53.2**	73.4	80.0

The carrying amount of trade and other receivables approximates to their fair value.

28 Cash and cash equivalents

	Note	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Cash and cash equivalents		**29.0**	88.5	107.3
Classified as held-for-sale	19	**(0.5)**	(0.6)	(2.6)
		28.5	87.9	104.7
Cash and cash equivalents in the cash flow statement	15	**29.0**	88.5	107.3
Analysis of cash and cash equivalents by currency:				
Sterling		**5.6**	61.4	47.5
US dollar		**6.5**	4.6	23.1
Australian dollar		**0.6**	1.1	0.6
Canadian dollar		**0.8**	0.3	0.9
Euro		**2.2**	7.5	15.2
Other		**12.8**	13.0	17.4
		28.5	87.9	104.7
Analysis of cash and cash equivalents by interest type:				
Floating rate interest		**28.5**	87.9	104.7

The fair values of cash and cash equivalents equate to their book values.

29 Trade and other payables

	Note	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Current liabilities				
Trade payables		**51.6**	59.2	54.4
Interest payable		**21.7**	26.6	28.3
Other taxation and social security		**24.7**	25.8	29.9
Other creditors		**37.4**	49.0	45.7
Accruals		**235.5**	254.0	258.9
Deferred income		**305.5**	301.3	271.0
Classified as held-for-sale	19	**(16.9)**	(4.0)	(31.4)
		659.5	711.9	656.8
Non-current liabilities				
Other creditors		**1.9**	4.1	8.1
		661.4	716.0	664.9

The carrying amount of trade and other payables approximates to their fair value.

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30 Current tax

	Note	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Corporation tax payable		**15.2**	17.2	20.8
Classified as held-for-sale	19	**(2.8)**	–	–
		12.4	17.2	20.8
Corporation tax receivable		**(9.4)**	(9.5)	(3.6)
		3.0	7.7	17.2

31 Acquisition put option commitments

	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Current	**2.1**	0.8	4.5
Non-current	**32.2**	15.0	4.1
	34.3	15.8	8.6

32 Borrowings

The Group's borrowings are unsecured and are analysed as follows:

	Bank loans £m	Bonds £m	Loan notes £m	Finance leases £m	Total £m
At 30 September 2014					
Within one year	**–**	**153.2**	**2.9**	**0.2**	**156.3**
Between one and two years	**–**	**–**	**–**	**0.1**	**0.1**
Between two and five years	**59.9**	**209.3**	**–**	**0.1**	**269.3**
Over five years	**–**	**206.3**	**–**	**–**	**206.3**
	59.9	**415.6**	**–**	**0.2**	**475.7**
	59.9	**568.8**	**2.9**	**0.4**	**632.0**
At 30 September 2013					
Within one year	–	–	2.0	–	2.0
Over five years	–	674.3	–	–	674.3
	–	674.3	–	–	674.3
	–	674.3	2.0	–	676.3
At 30 September 2012					
Within one year	–	47.3	2.6	–	49.9
Over five years	–	678.1	–	–	678.1
	–	678.1	–	–	678.1
	–	725.4	2.6	–	728.0

The Group's borrowings are analysed by currency and interest rate type as follows:

	Sterling £m	US dollar £m	Total £m
At 30 September 2014			
Fixed rate interest	**568.8**	**0.4**	**569.2**
Floating rate interest	**0.6**	**60.4**	**61.0**
	569.4	**60.8**	**630.2**
At 30 September 2013			
Fixed rate interest	674.3	–	674.3
Floating rate interest	2.0	–	2.0
	676.3	–	676.3
At 30 September 2012			
Fixed rate interest	725.4	–	725.4
Floating rate interest	2.6	–	2.6
	728.0	–	728.0

The Group's borrowings, analysed by currency and interest rate type, adjusting the principal borrowed and interest rate type by the notional amount of interest rate swaps and by the notional amount of currency derivatives, are as follows:

	Sterling £m	US dollar £m	Euro £m	Other £m	Total £m
At 30 September 2014					
Fixed rate interest	**430.5**	**167.8**	**–**	**–**	**598.3**
Floating rate interest	**(178.1)**	**208.9**	**0.8**	**0.3**	**31.9**
	252.4	**376.7**	**0.8**	**0.3**	**630.2**
At 30 September 2013					
Fixed rate interest	528.0	175.5	–	–	703.5
Floating rate interest	(321.6)	301.2	(5.9)	(0.9)	(27.2)
	206.4	476.7	(5.9)	(0.9)	676.3
At 30 September 2012					
Fixed rate interest	458.1	178.7	–	–	636.8
Floating rate interest	(181.3)	266.9	5.6	–	91.2
	276.8	445.6	5.6	–	728.0

Committed borrowing facilities
The Group's bank loans bear interest charged at LIBOR plus a margin based on the Group's ratio of net debt to EBITDA.

Additionally each facility contains covenants based on a maximum net debt to EBITDA ratio and a minimum interest cover ratio. EBITDA for these purposes is defined as the aggregate of the Group's consolidated operating profit including share of results of joint ventures and associates before deducting depreciation, amortisation and impairment of goodwill, intangible and tangible assets, before exceptional items and before interest and finance charges and the ratio is shown in Note 33. These covenants were met at the relevant test dates during the year.

During the period the Group renegotiated its committed bank facilities for a further five-year term. Of these facilities £145.0 million are denominated in sterling and £344.4 million (US$558.0 million) are denominated in US dollars although drawings are permitted in all major currencies. The terms of the new facilities are substantially the same as those of the existing facilities.

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32 Borrowings continued

The Group's committed bank facilities and their maturity dates are as follows:

	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Expiring in more than two years but not more than three years	**–**	300.3	–
Expiring in more than three years but not more than four years	**–**	–	300.7
Expiring in more than four years but not more than five years	**489.4**	–	–
Total bank facilities	**489.4**	300.3	300.7

Following the year end the Company increased its committed bank facilities by £50.0 million. The terms of this new sterling denominated facility are substantially the same as those of existing facilities.

The following undrawn committed borrowing facilities were available to the Group in respect of which all conditions precedent had been met:

	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Expiring in more than two years but not more than three years	**–**	299.8	–
Expiring in more than three years but not more than four years	**–**	–	298.3
Expiring in more than four years but not more than five years	**429.5**	–	–
Total undrawn committed bank facilities	**429.5**	299.8	298.3

The Group has issued standby letters of credit of £1.8 million (2013 £1.2 million, 2012 £2.4 million).

Bonds

The nominal, carrying and fair values of the Group's bonds and the coupons payable are as follows:

Maturity	Coupon %	At 30 September 2014 Fair value £m	At 30 September 2013 Fair value £m	At 30 September 2012 Fair value £m	At 30 September 2014 Carrying value £m	At 30 September 2013 Carrying value £m	At 30 September 2012 Carrying value £m	At 30 September 2014 Nominal value £m	At 30 September 2013 Nominal value £m	At 30 September 2012 Nominal value £m
2013	**7.50**	**–**	–	47.4	**–**	–	47.3	**–**	–	46.4
2018	**5.75**	**305.6**	351.9	344.2	**264.4**	309.2	307.4	**275.0**	324.7	324.7
2021	**10.00**	**139.6**	202.3	195.3	**108.4**	169.2	171.4	**100.0**	156.4	156.4
2027	**6.375**	**234.9**	207.8	193.2	**196.0**	195.9	199.3	**200.0**	200.0	200.0
		680.1	762.0	780.1	**568.8**	674.3	725.4	**575.0**	681.1	727.5

The Group's bonds have been adjusted from their nominal values to take account of the premia, direct issue costs, discounts and movements in hedged risks. The issue costs, premia and discounts are being amortised over the expected lives of the bonds using the effective interest method. The unamortised issue costs amount to £2.3 million (2013 £3.1 million, 2012 £3.5 million), the unamortised premia £7.1 million (2013 £7.7 million, 2012 £9.2 million).

The fair value of the Group's bonds have been calculated on the basis of quoted market rates.

In December 2013 the Group bought back £49.7 million nominal of its 2018 bonds and £149.2 million nominal of its 2021 bonds incurring a premium of £24.4 million.

On 22 September 2014 the Company announced its invitation to holders of its outstanding £165.0 million 2021 bonds and its outstanding £349.7 million 2018 bonds to tender their bonds for purchase by the Company for cash. On 30 September the Company announced the results and cash price payable of validly tendered 2018 and 2021 bonds. The total cash price payable by the Company amounted to £193.1 million, including a premium of £39.9 million, which was paid on 1 October 2014. The derecognition of this financial liability and provision for premium payable has not been recorded in these financial statements since the financial liability was not extinguished until post year end as prescribed by IAS 39, Financial Instruments: Recognition and Measurement.

Further details of the Group's borrowing arrangements are set out in the Financial Review on pages 26 to 29.

Loan notes

The Group has issued loan notes which attract interest at rates of approximately LIBID to LIBID minus 1%. The loan notes are repayable at the option of the loan note holders with a six-month notice period and are treated as current liabilities.

33 Financial instruments and risk management

The Group is exposed to credit, interest rate and currency risks arising in the normal course of business. Derivative financial instruments are used to manage exposures to fluctuations in foreign currency exchange rates and interest rates but are not employed for speculative purposes. Full details of the Group's treasury policies are set out in the Financial Review on pages 26 to 29.

Capital risk management

The Group manages its capital, defined as equity shareholders' funds and net borrowings, to ensure that entities in the Group are able to continue as going concerns for the foreseeable future.

Debt management

The Group borrows on an unsecured basis and arranges its debt to ensure an appropriate maturity profile. The Group's principal sources of funding are the long-term sterling bond market and committed bank facilities. The Group is mindful of its credit rating, currently BBB- and ensures it has sufficient committed bank facilities in order to meet short-term business requirements, after taking into account the Group's holding of cash and cash equivalents together with any distribution restrictions which exist. The Group aims to maximise the term and flexibility of indebtedness and retain headroom in the form of undrawn committed bank facilities of approximately £100.0 million. Additionally, the Group arranges its currency borrowings in order that they are in proportion to the ratio of earnings in that particular currency to total Group earnings.

The Directors consider that the Group's bond issuances together with its bank facilities will be sufficient to cover the likely medium-term cash requirements of the Group.

Associates, joint ventures and other investments in general arrange and maintain their own financing and funding requirements. In all cases such financing is non-recourse to the Company.

The Group's internal target of Net Debt to EBITDA cover is no greater than 2.0 times whilst the limit imposed by its bank covenants is no greater than 3.75 times. The bank covenant ratio uses the average exchange rate in the calculation of net debt. The resultant Net Debt to EBITDA ratio is 1.53 times (2013 1.56 times, 2012 1.65 times). Using a closing rate basis for the valuation of net debt, the ratio was 1.54 times (2013 1.53 times, 2012 1.62 times).

Cash and liquidity risk management

The Group monitors its cash balances to ensure that sufficient resources are available to meet operational requirements as they fall due. Short-term money market deposits are used to manage liquidity whilst maximising the rate of return on cash resources, giving due consideration to credit risk.

Market risk management

The Group's primary market risks are interest rate fluctuations and exchange rate movements.

Interest rate risk management

The limit imposed by the Group's bank covenants is at least 3 times EBITDA to net interest. The actual ratio for the year was 7.73 times (2013 6.66 times, 2012 6.72 times).

The Group's interest rate exposure management policy is aimed at reducing the exposure of the consolidated businesses to changes in interest rates. Group policy is to have 70% to 80% of interest exposures fixed with the balance floating. This is achieved by issuing fixed rate sterling bond debt and entering into derivative contracts that economically swap fixed rate interest into floating rate. Derivatives are used to hedge or reduce the risks of interest rate and exchange rate movements and are not entered into unless such risks exist. The derivatives in place to meet Group policy are as follows:

(i) Fixed to floating interest rate swaps hedging a portion of the Group's bonds; changes in the fair value of the swaps are recognised in the income statement and at the same time the carrying value of the hedged bonds is adjusted for movements in the hedged risk to the extent effective and those adjustments are also recognised in the income statement. These interest rate swaps amount to £73.9 million (2013 £73.9 million, 2012 £108.9 million) with the Group paying floating rates of between 0.53% and 0.91% (2013 0.51% and 1.86%, 2012 0.63% and 1.86%).

(ii) Fixed to floating interest rate swaps which are not designated as hedging instruments; changes in the fair value of the swaps are recognised in the income statement. These interest rate swaps amount to US$67.0 million (2013 US$67.0 million, 2012 US$67.0 million) with the Group receiving floating US dollar interest at rates of between 0.23% and 0.25% (2013 0.25% and 0.38%, 2012 0.38% and 0.47%).

(iii) Cross currency fixed to fixed interest rate swaps; these amount to £64.7 million/US$105.0 million (2013 £72.4 million/US$128.0 million, 2012 £158.4 million/US$ 288.0 million) resulting in the Group paying fixed US dollar interest at rates of between 6.01% and 6.04% (2013 6.01% and 6.07%, 2012 4.40% and 6.07%).

(iv) The Group also had a number of outstanding interest rate caps. These amounted to US$100.0 million notional (2013 US$100.0 million, 2012 US$100.0 million) at rates of between 2.20% and 2.75% (2013 6.00%, 2012 6.00%).

NOTES TO THE ACCOUNTS
CONTINUED

33 Financial instruments and risk management continued

The fair values of interest rate swaps, interest rate caps and forward foreign exchange contracts represent the replacement costs calculated using market rates of interest and exchange at 30 September 2014. The fair value of long-term borrowings has been calculated by discounting expected future cash flows at market rates.

Foreign exchange rate risk management

Translation exposures arise on the earnings and net assets of business operations in entities with functional currencies other than that of the parent company. The net asset exposures are economically hedged, to a significant extent, by a policy of denominating borrowings in currencies where significant translation exposures exist, most notably US dollars.

The Group also designates currency swaps and forward contracts as net investment hedges, hedging the Group's overseas investments.

Credit risk management

The Group's principal credit risk relates to its trade and other receivables and non-performance by counterparties to financial instrument contracts.

Trade and other receivables

The Group's customer base is diversified geographically and by segment with customers generally of a good financial standing. Before accepting any new customers, the Group assesses the potential customers' credit quality and sets credit limits by customer. The average credit period is 38 days (2013 39 days, 2012 43 days). The Group considers the credit risk of trade receivables to be low, although the Group remains vigilant in the current economic climate. The Group reserves the right to charge interest on overdue receivables, although the Group does not hold collateral over any trade receivable balances. The Group makes an allowance for bad and doubtful debts specific to individual debts. This provision is reviewed regularly in conjunction with a detailed analysis of historic payment profiles and past default experience.

The Group's receivables are stated net of allowances for doubtful debts and allowances for impairment are made where appropriate.

Institutional counterparty risk

The Group seeks to limit interest rate and foreign exchange risks, described above, by the use of financial instruments. As a result, credit risk arises from the potential non-performance by the counterparties to those financial instruments, which are unsecured. The amount of this credit risk is normally restricted to the amounts of any hedge gain and not the principal amount being hedged. The Group also has a credit exposure to counterparties for the full principal amount of cash and cash equivalents.

Credit risk is controlled by monitoring the credit quality of these counterparties, principally licensed commercial banks and investment banks with strong long-term credit ratings, and of the amounts outstanding with each of them.

The credit risk on short-term deposits and derivative financial instruments is considered low since the counterparties are banks with high credit ratings. Group policy is to have no more than £20.0 million deposited (or at risk) with any "AA" counterparty or £10.0 million for "A" rated counterparties. The Group has no significant concentration of risk with exposure spread over a large number of counterparties and customers.

Derivative financial instruments and hedge accounting

Derivative financial instruments are measured at fair value at the date the derivatives are entered into and are subsequently re-measured to fair value at each reporting date. The fair value is determined by using market data and the use of established estimation techniques such as discounted cash flow and option valuation models. The Group designates certain derivatives as:

(i) Hedges of the change in fair value of recognised assets and liabilities (fair value hedges); or
(ii) Hedges of highly probable forecast transactions (cash flow hedges); or
(iii) Hedges of net investment in foreign operations (net investment hedges).

To qualify for hedge accounting, each individual hedging relationship must be expected to be effective, be designated and documented at its inception and throughout the life of the hedge relationship.

Fair value hedges

The Group's policy is to use interest rate swaps to convert a proportion of its fixed rate debt to floating rates in order to hedge the interest rate risk with changes in fair value of the hedging instrument recognised in the income statement for the year together with the changes in the fair value of the hedged item due to the hedged risk, to the extent the hedge is effective. When the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting, hedge accounting is discontinued.

Gains and losses on the borrowings and related derivatives designated as fair value hedges included in the Consolidated Income Statement for the year ended 30 September 2014 were:

	At 30 September 2012 £m	Fair value movement gain/(loss) £m	At 30 September 2013 £m	Fair value movement gain/(loss) £m	At 30 September 2014 £m
Sterling interest rate swaps	10.5	(6.6)	3.9	(0.8)	**3.1**
Sterling debt	(10.5)	6.6	(3.9)	0.8	**(3.1)**
Total	–	–	–	–	**–**

Cash flow hedges

The Group's policy is to use certain derivative financial instruments in order to hedge the foreign exchange risk arising from certain firm commitments or forecast highly probable transactions in currencies other than the functional currency of the relevant Group entity.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the Consolidated Income Statement.

If a hedged firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, then, at the time that the asset or liability is recognised, the associated gains and losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability.

For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the Consolidated Income Statement in the same period in which the hedged item affects the Consolidated Income Statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, revoked, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in equity is included in the Consolidated Income Statement for the period.

All cash flow hedges were effective throughout the year ended 30 September 2014. All amounts deferred in equity at the year end are expected to impact the Consolidated Income Statement in the next 18 months when the related cash flows are expected to occur.

Net investment hedges

The Group seeks to manage the foreign currency exposure arising on retranslation of the reporting entity's share of net assets of foreign operations at each reporting date by designating certain derivative financial instruments and foreign currency borrowings as net investment hedging instruments.

Exchange differences arising from the translation of the net investment in foreign operations are recognised directly in equity in the translation reserve. Gains and losses arising from changes in the fair value of the hedging instruments are recognised in equity to the extent that the hedging relationship is effective. Any ineffectiveness is recognised immediately in the Consolidated Income Statement for the period.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Gains and losses accumulated in the translation reserve are included in the Consolidated Income Statement on disposal of the foreign operation.

All net investment hedges were effective throughout the year ended 30 September 2014.

NOTES TO THE ACCOUNTS CONTINUED

33 Financial instruments and risk management continued

The Group's derivative financial instruments, other than acquisition option commitments, and their maturity profiles are summarised as follows:

Derivative financial assets:

	Fair value hedges £m	Cash flow hedges £m	Net investment hedges £m	Derivatives not qualifying for hedge accounting £m	Derivative financial assets £m
At 30 September 2014					
Within one year	**–**	**2.6**	**0.3**	**–**	**2.9**
Between one and two years	**–**	**0.2**	**–**	**–**	**0.2**
Between two and five years	**2.5**	**–**	**–**	**1.1**	**3.6**
Over five years	**13.9**	**–**	**2.3**	**–**	**16.2**
	16.4	**0.2**	**2.3**	**1.1**	**20.0**
	16.4	**2.8**	**2.6**	**1.1**	**22.9**
At 30 September 2013	–	1.7	17.2	–	18.9
Within one year	–	0.7	–	–	0.7
Between one and two years	17.2	–	3.3	–	20.5
Over five years	17.2	0.7	3.3	–	21.2
	17.2	2.4	20.5	–	40.1
At 30 September 2012					
Within one year	0.8	2.7	5.4	–	8.9
Between one and two years	–	0.3	–	–	0.3
Over five years	22.9	–	1.4	–	24.3
	22.9	0.3	1.4	–	24.6
	23.7	3.0	6.8	–	33.5

Derivative financial liabilities:

	Cash flow hedges £m	Net investment hedges £m	Derivatives not qualifying for hedge accounting £m	Derivative financial liabilities £m
At 30 September 2014				
Within one year	**(1.3)**	**(2.8)**	**–**	**(4.1)**
Between one and two years	**(0.4)**	**–**	**–**	**(0.4)**
Between two and five years	**–**	**(0.2)**	**–**	**(0.2)**
Over five years	**–**	**–**	**(13.3)**	**(13.3)**
	(0.4)	**(0.2)**	**(13.3)**	**(13.9)**
	(1.7)	**(3.0)**	**(13.3)**	**(18.0)**
At 30 September 2013	(0.9)	–	–	(0.9)
Within one year	–	–	–	–
Between one and two years	–	(9.7)	(14.2)	(23.9)
Over five years	–	(9.7)	(14.2)	(23.9)
	(0.9)	(9.7)	(14.2)	(24.8)
At 30 September 2012				
Within one year	(0.3)	(13.8)	–	(14.1)
Over five years	–	(13.2)	(21.7)	(34.9)
	–	(13.2)	(21.7)	(34.9)
	(0.3)	(27.0)	(21.7)	(49.0)

In managing the Group's interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations. However, changes in foreign exchange rates and interest rates may have an impact on the Group's results.

At 30 September 2014 it is estimated that an increase of 1.0% in interest rates would have reduced the Group's finance costs by £0.5 million (2013 decreased by £3.9 million, 2012 increased by £1.2 million). There would have been no effect on amounts recognised directly in equity. This sensitivity has been calculated by applying the interest rate change to the Group's variable rate borrowings, net of any interest rate swaps, at the year-end date.

At 30 September 2014 it is estimated that a decrease of 1.0% in interest rates would have increased the Group's finance costs by £4.8 million (2013 increased by £5.7 million, 2012 reduced by £1.1 million). There would have been no effect on amounts recognised directly in equity. This sensitivity has been calculated by applying the interest rate change to the Group's variable rate borrowings, net of any interest rate swaps, as at the year end date.

At 30 September 2014 it is estimated that a 10.0% strengthening of sterling against the US dollar would have increased the net gain taken to equity by £38.9 million (2013 £26.5 million, 2012 £49.1 million) and increased the net loss taken to income by £1.3 million (2013 £1.4 million reduction, 2012 £nil). A 10.0% weakening of sterling against the US dollar would have reduced the net gain taken to equity by £44.3 million (2013 £29.3 million, 2012 £53.6 million) and increased the net loss taken to income by £3.0 million (2013 £1.8 million, 2012 £nil). This sensitivity has been calculated by applying the foreign exchange change to the Group's financial instruments which are affected by changes in foreign exchange rates.

At 30 September 2014 it is estimated that an increase of 1.0% in the rate used to discount the expected gross value of payments would lead to a decrease in the fair value of acquisition put option commitments of £1.2 million (2013 £0.2 million, 2012 £nil).

At 30 September 2014 it is estimated that a decrease of 1.0% in the rate used to discount the expected gross value of payments would lead to an increase in the fair value of acquisition put option commitments of £1.3 million (2013 £0.2 million, 2012 £nil).

The carrying amounts and gains and losses on financial instruments are as follows:

	At 30 September 2014 Carrying amount £m	Year ending 30 September 2014 (Loss)/gain to income £m	Year ending 30 September 2014 Gain/(loss) to equity £m	At 30 September 2013 Carrying amount £m	Year ending 30 September 2013 (Loss)/gain to income £m	Year ending 30 September 2013 Gain/(loss) to equity £m	At 30 September 2012 Carrying amount £m	Year ending 30 September 2012 (Loss)/gain to income £m	Year ending 30 September 2012 Gain/(loss) to equity £m
Investments	**6.8**	**9.4**	**0.4**	2.7	1.8	(0.2)	1.5	0.5	(0.1)
Available-for-sale	**6.8**	**9.4**	**0.4**	2.7	1.8	(0.2)	1.5	0.5	(0.1)
Trade receivables	**186.1**	**(9.4)**	**(0.7)**	193.7	(0.7)	(1.0)	210.6	3.1	(3.1)
Other debtors	**26.6**	**–**	**(0.5)**	28.1	–	–	22.9	–	–
Cash and deposits	**28.5**	**0.7**	**(1.2)**	87.9	1.3	(0.8)	104.7	1.5	(1.7)
Loans and receivables	**241.2**	**(8.7)**	**(2.4)**	309.7	0.6	(1.8)	338.2	4.6	(4.8)
Interest rate swaps	**16.4**	**2.3**	**–**	17.2	(3.2)	–	23.7	4.5	–
Fixed to fixed cross currency swaps	**2.3**	**–**	**–**	3.3	–	–	1.4	–	–
Forward foreign currency contracts	**3.1**	**1.1**	**5.6**	19.6	0.3	1.9	8.4	(0.2)	19.8
Derivative assets in effective hedging relationships	**21.8**	**3.4**	**5.6**	40.1	(2.9)	1.9	33.5	4.3	19.8
Interest rate caps	**1.1**	**(0.5)**	**–**	–	–	–	–	–	–
Derivative assets not designated as hedging instruments	**1.1**	**(0.5)**	**–**	–	–	–	–	–	–
Trade payables	**(51.2)**	**–**	**2.0**	(58.8)	–	3.6	(53.5)	–	8.4
Bank overdrafts	**–**	**–**	**–**	–	–	–	–	0.1	0.1
Bonds	**(568.8)**	**(66.0)**	**–**	(674.3)	(44.1)	–	(725.4)	(61.7)	–
Bank loans	**(59.9)**	**(8.9)**	**1.4**	–	(6.2)	–	–	(5.9)	–
Loan notes	**(2.9)**	**–**	**–**	(2.0)	–	–	(2.6)	–	–
Amounts payable under finance leases	**(0.4)**	**(0.1)**	**–**	–	–	–	–	–	–
Liabilities at amortised cost	**(683.2)**	**(75.0)**	**3.4**	(735.1)	(50.3)	3.6	(781.5)	(67.5)	8.5

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33 Financial instruments and risk management continued

	At 30 September 2014 Carrying amount £m	Year ending 30 September 2014 (Loss)/gain to income £m	Year ending 30 September 2014 Gain/(loss) to equity £m	At 30 September 2013 Carrying amount £m	Year ending 30 September 2013 (Loss)/gain to income £m	Year ending 30 September 2013 Gain/(loss) to equity £m	At 30 September 2012 Carrying amount £m	Year ending 30 September 2012 (Loss)/gain to income £m	Year ending 30 September 2012 Gain/(loss) to equity £m
Fixed to fixed cross currency swaps	**(0.2)**	**(0.4)**	**(1.1)**	(9.7)	(1.2)	(0.7)	(27.0)	(2.3)	12.8
Forward foreign currency contracts	**(4.5)**	**0.4**	**(3.1)**	(0.9)	0.3	–	(0.3)	(0.2)	5.4
Derivative liabilities in effective hedging relationships	**(4.7)**	**–**	**(4.2)**	(10.6)	(0.9)	(0.7)	(27.3)	(2.5)	18.2
Acquisition put option commitments	**(34.3)**	**1.3**	**(0.4)**	(15.8)	(2.9)	–	(8.6)	2.0	0.3
Interest rate swaps	**(13.3)**	**(1.3)**	**–**	(14.2)	5.0	–	(21.7)	(0.3)	–
Derivative liabilities not designated as hedging instruments	**(47.6)**	**–**	**(0.4)**	(30.0)	2.1	–	(30.3)	1.7	0.3
Total for financial instruments	**(464.6)**	**(71.4)**	**2.4**	(423.2)	(49.6)	2.8	(465.9)	(58.9)	41.9

Reconciliation of net gain or loss taken to equity:

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Change in fair value of hedging derivatives	38, 39	**0.2**	(1.0)	34.4
Translation of financial instruments of overseas operations		**1.0**	1.6	3.9
Transfer of gain on cash flow hedges from fair value reserves to Consolidated Income Statement	38, 39	**1.2**	2.2	3.6
Total loss on financial instruments to equity		**2.4**	2.8	41.9

Reconciliation of net gain or loss taken through income to net finance costs:

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Total loss on financial instruments to income		**(71.4)**	(49.6)	(58.9)
Add back:				
Impairment of trade receivables	27	**9.4**	0.7	(3.1)
Impairment of available-for-sale assets		**–**	–	0.3
Dividend income	9	**(9.4)**	(1.8)	(0.8)
Interest receivable from short-term deposits	9	**(0.7)**	(1.3)	(1.5)
Finance charge on discounting of contingent consideration	10	**(1.3)**	(1.1)	(0.3)
Fair value movement of contingent consideration	10	**0.7**	(5.0)	0.2
Interest on pension scheme liabilities less expected return on pension scheme assets	10	**(7.6)**	(12.9)	(15.0)
Net finance costs	10	**(80.3)**	(71.0)	(79.1)

Reconciliation of amounts due under finance lease agreements:

At 30 September 2014	Total £m	Due in less than one year £m	Due between one and five years £m	Due in more than five years £m
Present value of minimum lease payments	**(0.4)**	**(0.2)**	**(0.2)**	**–**

At 30 September 2013	Total £m	Due in less than one year £m	Due between one and five years £m	Due in more than five years £m
Present value of minimum lease payments	–	–	–	–

At 30 September 2012	Total £m	Due in less than one year £m	Due between one and five years £m	Due in more than five years £m
Present value of minimum lease payments	–	–	–	–

The remaining undiscounted contractual liabilities and their maturities are as follows:

	Trade payables £m	Finance leases £m	Interest rate swaps £m	Currency swaps £m	Forward contracts £m	Bonds £m	Bank loans and overdrafts £m	Loan notes £m	Total £m
At 30 September 2014									
Within one year	**(51.2)**	**(0.2)**	**(2.4)**	**(1.5)**	**(236.2)**	**(175.4)**	**–**	**(2.9)**	**(469.8)**
Between one and two years	**–**	**(0.1)**	**(2.4)**	**(1.5)**	**(17.4)**	**(26.0)**	**–**	**–**	**(47.4)**
Between two and five years	**–**	**(0.1)**	**(7.2)**	**(27.9)**	**–**	**(286.4)**	**(63.6)**	**–**	**(385.2)**
Between five and ten years	**–**	**–**	**(12.0)**	**–**	**–**	**(72.0)**	**–**	**–**	**(84.0)**
Between ten and fifteen years	**–**	**–**	**(6.6)**	**–**	**–**	**(234.7)**	**–**	**–**	**(241.3)**
	–	**(0.2)**	**(28.2)**	**(29.4)**	**(17.4)**	**(619.1)**	**(63.6)**	**–**	**(757.9)**
	(51.2)	**(0.4)**	**(30.6)**	**(30.9)**	**(253.6)**	**(794.5)**	**(63.6)**	**(2.9)**	**(1,227.7)**
At 30 September 2013									
Within one year	(58.8)	–	(2.4)	(2.4)	(40.1)	(47.1)	–	(2.0)	(152.8)
Between one and two years	–	–	(2.4)	(2.4)	–	(47.1)	–	–	(51.9)
Between two and five years	–	–	(7.2)	(7.1)	–	(141.2)	–	–	(155.5)
Between five and ten years	–	–	(12.0)	(11.8)	–	(587.8)	–	–	(611.6)
Between ten and fifteen years	–	–	(8.9)	(47.6)	–	(247.4)	–	–	(303.9)
	–	–	(30.5)	(68.9)	–	(1,023.5)	–	–	(1,122.9)
	(58.8)	–	(32.9)	(71.3)	(40.1)	(1,070.6)	–	(2.0)	(1,275.7)
At 30 September 2012									
Within one year	(53.5)	–	–	(106.0)	(59.7)	(95.2)	–	(2.6)	(317.0)
Between one and two years	–	–	–	(4.8)	(7.8)	(47.1)	–	–	(59.7)
Between two and five years	–	–	–	(14.3)	–	(141.2)	–	–	(155.5)
Between five and ten years	–	–	–	(23.9)	–	(622.1)	–	–	(646.0)
Between ten and fifteen years	–	–	(68.5)	(101.7)	–	(260.2)	–	–	(430.4)
	–	–	(68.5)	(144.7)	(7.8)	(1,070.6)	–	–	(1,291.6)
	(53.5)	–	(68.5)	(250.7)	(67.5)	(1,165.8)	–	(2.6)	(1,608.6)

NOTES TO THE ACCOUNTS CONTINUED

33 Financial instruments and risk management continued

Reconciliation of undiscounted liabilities to amounts on the Statement of Consolidated Financial Position:

	Undiscounted value of financial liabilities £m	Interest £m	Unamortised issue costs £m	Discount/ premium on issue £m	Mark to market adjustments £m	Effect of discounting £m	Undiscounted value of financial asset £m	Total £m
At 30 September 2014								
Within one year	**(469.8)**	**28.5**	**0.8**	**(2.2)**	**(3.1)**	**0.1**	**233.4**	**(212.3)**
Between one and two years	**(47.4)**	**28.5**	**0.3**	**2.5**	**–**	**(0.1)**	**18.5**	**2.3**
Between two and five years	**(385.2)**	**79.0**	**0.7**	**6.2**	**–**	**0.2**	**27.3**	**(271.8)**
Between five and 10 years	**(84.0)**	**76.8**	**0.3**	**0.3**	**–**	**–**	**–**	**(6.6)**
Between ten and 15 years	**(241.3)**	**41.3**	**0.2**	**0.3**	**–**	**(13.3)**	**–**	**(212.8)**
	(757.9)	**225.6**	**1.5**	**9.3**	**–**	**(13.2)**	**45.8**	**(488.9)**
	(1,227.7)	**254.1**	**2.3**	**7.1**	**(3.1)**	**(13.1)**	**279.2**	**(701.2)**
Analysed as follows:								
Trade payables	**(51.2)**	**–**	**–**	**–**	**–**	**–**	**–**	**(51.2)**
Loan notes	**(2.9)**	**–**	**–**	**–**	**–**	**–**	**–**	**(2.9)**
Bank loans	**(63.6)**	**3.7**	**–**	**–**	**–**	**–**	**–**	**(59.9)**
Finance leases	**(0.4)**	**–**	**–**	**–**	**–**	**–**	**–**	**(0.4)**
Bonds	**(794.5)**	**219.4**	**2.3**	**7.1**	**(3.1)**	**–**	**–**	**(568.8)**
Interest rate swaps	**(30.6)**	**30.6**	**–**	**–**	**–**	**(13.3)**	**–**	**(13.3)**
Fixed to fixed cross currency swaps	**(30.9)**	**0.4**	**–**	**–**	**–**	**0.2**	**30.1**	**(0.2)**
Forward foreign currency contracts	**(253.6)**	**–**	**–**	**–**	**–**	**–**	**249.1**	**(4.5)**
	(1,227.7)	**254.1**	**2.3**	**7.1**	**(3.1)**	**(13.1)**	**279.2**	**(701.2)**
At 30 September 2013								
Within one year	(152.8)	50.1	0.4	1.7	(3.9)	–	40.9	(63.6)
Between one and two years	(51.9)	50.1	0.4	1.9	–	–	1.8	2.3
Between two and five years	(155.5)	150.2	1.5	6.6	–	–	5.3	8.1
Between five and 10 years	(611.6)	121.7	0.6	(2.9)	–	–	8.8	(483.4)
Between 10 and 15 years	(303.9)	58.6	0.2	0.4	–	(17.1)	38.5	(223.3)
	(1,122.9)	380.6	2.7	6.0	–	(17.1)	54.4	(696.3)
	(1,275.7)	430.7	3.1	7.7	(3.9)	(17.1)	95.3	(759.9)
Analysed as follows:								
Trade payables	(58.8)	–	–	–	–	–	–	(58.8)
Loan notes	(2.0)	–	–	–	–	–	–	(2.0)
Bonds	(1,070.6)	389.4	3.1	7.7	(3.9)	–	–	(674.3)
Interest rate swaps	(32.9)	32.9	–	–	–	(14.2)	–	(14.2)
Fixed to fixed cross currency swaps	(71.3)	8.4	–	–	–	(2.9)	56.1	(9.7)
Forward foreign currency contracts	(40.1)	–	–	–	–	–	39.2	(0.9)
	(1,275.7)	430.7	3.1	7.7	(3.9)	(17.1)	95.3	(759.9)
At 30 September 2012								
Within one year	(317.0)	48.8	0.4	1.6	(10.5)	(0.3)	151.8	(125.2)
Between one and two years	(59.7)	47.1	0.4	1.7	–	0.4	12.1	2.0
Between two and five years	(155.5)	141.2	1.3	6.1	–	1.5	12.8	7.4
Between five and 10 years	(646.0)	141.0	1.1	(0.6)	–	2.5	21.4	(480.6)
Between 10 and 15 years	(430.4)	94.3	0.3	0.4	–	8.7	92.6	(234.1)
	(1,291.6)	423.6	3.1	7.6	–	13.1	138.9	(705.3)
	(1,608.6)	472.4	3.5	9.2	(10.5)	12.8	290.7	(830.5)
Analysed as follows:								
Trade payables	(53.5)	–	–	–	–	–	–	(53.5)
Loan notes	(2.6)	–	–	–	–	–	–	(2.6)
Bonds	(1,165.8)	438.2	3.5	9.2	(10.5)	–	–	(725.4)
Interest rate swaps	(68.5)	34.2	–	–	–	12.6	–	(21.7)
Fixed to fixed cross currency swaps	(250.7)	–	–	–	–	0.4	223.3	(27.0)
Forward foreign currency contracts	(67.5)	–	–	–	–	(0.2)	67.4	(0.3)
	(1,608.6)	472.4	3.5	9.2	(10.5)	12.8	290.7	(830.5)

Valuation techniques and assumptions applied for the purpose of measuring fair value
The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 30 September 2014	Note	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Available-for-sale financial assets	25	**–**	**6.8**	**6.8**
Fair value through profit and loss				
Derivative instruments not designated in hedge accounting relationships		**1.1**	**–**	**1.1**
Provision for contingent consideration receivable		**–**	**2.7**	**2.7**
Derivative instruments in designated hedge accounting relationships		**21.8**	**–**	**21.8**
		22.9	**9.5**	**32.4**
Financial liabilities				
Fair value through profit and loss				
Acquisition put options	31	**–**	**(34.3)**	**(34.3)**
Derivative instruments not designated in hedge accounting relationships		**(13.3)**	**–**	**(13.3)**
Provision for contingent consideration	35	**–**	**(20.2)**	**(20.2)**
Derivative instruments in designated hedge accounting relationships		**(4.7)**	**–**	**(4.7)**
		(18.0)	**(54.5)**	**(72.5)**

At 30 September 2013		Level 2 £m	Level 3 £m	Total £m
Financial assets				
Available-for-sale financial assets	25	–	2.7	2.7
Fair value through profit and loss				
Provision for contingent consideration receivable		–	5.4	5.4
Derivative instruments in designated hedge accounting relationships		40.1	–	40.1
		40.1	8.1	48.2
Financial liabilities				
Fair value through profit and loss				
Acquisition put options	31	–	(15.8)	(15.8)
Derivative instruments not designated in hedge accounting relationships		(14.2)	–	(14.2)
Provision for contingent consideration	35	–	(26.2)	(26.2)
Derivative instruments in designated hedge accounting relationships		(10.6)	–	(10.6)
		(24.8)	(42.0)	(66.8)

There were no transfers between categories in the period.

NOTES TO THE ACCOUNTS
CONTINUED

33 Financial instruments and risk management continued

Reconciliation of level 3 fair value measurement of financial liabilities:

	Note	£m
At 30 September 2013		(42.0)
Settlements		5.5
Change in fair value of acquisition put option commitments and contingent consideration in income	10	2.4
Finance charge on discounting of contingent consideration	10	(1.4)
Additions		(22.5)
Owned by subsidiaries acquired	16	(0.8)
Release of payments made in advance in prior year		4.5
Exchange adjustment		(0.2)
At 30 September 2014	31, 35	**(54.5)**

The key input into the significant level 3 financial liabilities is the future profitability of the businesses to which the acquisition put options and contingent consideration relate. The range of possible outcomes for the fair value of these options is £13.7 million to £130.4 million (2013 £1.2 million to £92.1 million).

A one percentage point increase or decrease in the growth rate in estimating the expected profits results in the acquisition commitment and contingent consideration liability at 30 September 2014 increasing or decreasing by £0.4 million and £0.4 million respectively with the corresponding change to the value at 30 September 2014 charged or credited to the Income Statement in future periods.

34 Retirement benefit obligations

The Group operates a number of pension schemes under which contributions are paid by the employer and employees. The total net pension costs of the Group for the year ended 30 September 2014 were £28.9 million (2013 £31.1 million, 2012 £35.3 million).

The schemes include funded defined benefit pension arrangements, providing service-related benefits, in addition to a number of defined contribution pension arrangements. The defined benefit schemes in the UK, together with some defined contribution plans, are administered by trustees or trustee companies.

In compliance with legislation the Group commenced automatic enrolment of relevant employees into defined contribution pension plans from September 2013. This process will continue to be staged progressively and will be complete during 2016.

Defined benefit schemes

Background

The Company operates two main defined benefit schemes, the Harmsworth Pension Scheme (HPS) and the Senior Executive Pension Scheme (SEPF), both of which are now closed to new entrants. Benefits accrued up to 31 March 2011 were accrued on a final salary basis, but with the value of those benefits having been delinked from pensionable salary. Existing members still in employment can continue to accrue benefits in the scheme on a cash balance basis, with members building up a retirement account that they can use to buy an annuity from an insurance company at retirement.

Full actuarial valuations of the defined benefit schemes are carried out triennially by the Scheme Actuary. As a result of the valuations of the main schemes as at 31 March 2013 the Company makes annual contributions of 12.0% or 18.0% of members' basic pay (depending on membership section) for HPS and 28.5% of pensionable pay for SEPF. Following the results of the latest triennial valuation, the Company agreed recovery plans involving a series of annual funding payments, and in accordance with both these and prior arrangements, payments of £23.1 million were made on 4 October 2013; £13.0 million on 31 January 2014 and £7.0 million on 28 February 2014. A further payment of £28.7 million was made subsequent to the year end and in accordance with the agreed payment date of 5 October 2014. Between October 2014 and October 2026 further annual payments have been agreed amounting to £334.6 million (excluding the balloon funding payment referred to below in connection with the Limited Partnership investment vehicle). The Company considers that these contribution rates are sufficient to eliminate the deficit over the agreed period. Both the ongoing contributions and Recovery Plan will be reviewed at the next triennial funding valuation of the main schemes due to be completed with an effective date 31 March 2016.

In February 2014 the Company agreed with the Trustees that should it continue its share buy-back programme it would make additional contributions to the schemes amounting to 20% of the value of shares bought back. Contributions of £5.9 million relating to this agreement were made in the year to 30 September 2014.

The Company also has a defined benefit obligation relating to the DMGT AVC Plan (the Plan) which is closed to further member contributions. The most recent actuarial funding valuation of the Plan, carried out with an effective date of 31 March 2011, showed a funding deficit of £5.6 million. The Trustees and the Company have agreed that this funding shortfall will be removed through the expected investment returns, with no further contributions required from the Company. The 31 March 2014 valuation results are expected to be finalised in early 2015.

Limited Partnership investment vehicle

The Company enabled the Trustee of the HPS to acquire a beneficial interest in a Limited Partnership investment vehicle (LP). The LP has been designed to facilitate payment of part of the deficit funding payments described above over a period of 15 years to 2026. In addition, the LP is required to make a final payment to the scheme of £150.0 million or the funding deficit within the scheme on an ongoing actuarial valuation basis at the end of the 15-year period if this is less. For funding purposes, the interest held by the trustee in the LP will be treated as an asset of the scheme and reduce the actuarial deficit within the scheme. However, under IAS 19 the LP is not included as an asset of the scheme and therefore is not included in the disclosures below.

The figures in this Note are based on calculations using membership data as at 30 September 2014 along with asset valuations and cash flow information from the schemes for the year to 30 September 2014.

A reconciliation of the net pension obligation reported in the Consolidated Statement of Financial Position is shown in the following table:

	At 30 September 2014 Schemes in surplus £m	Year ending 30 September 2014 Schemes in deficit £m	Year ending 30 September 2014 Total £m	At 30 September 2013 Schemes in surplus £m	At 30 September 2013 Schemes in deficit £m	At 30 September 2013 Total £m	At 30 September 2012 Schemes in surplus £m	At 30 September 2012 Schemes in deficit £m	At 30 September 2012 Total £m
Present value of defined benefit obligation	**(261.8)**	**(2,120.1)**	**(2,381.9)**	–	(2,169.7)	(2,169.7)	–	(2,089.0)	(2,089.0)
Assets at fair value	**268.2**	**1,901.9**	**2,170.1**	–	1,962.0	1,962.0	–	1,764.6	1,764.6
(Deficit)/surplus reported in the Consolidated Statement of Financial Position	**6.4**	**(218.2)**	**(211.8)**	–	(207.7)	(207.7)	–	(324.4)	(324.4)

The International Financial Reporting Interpretations Committee, in its document IFRIC 14, has interpreted the extent to which a company can recognise a pension surplus on its Statement of Financial Position. Having taken account of the rules of the schemes, the fact that the schemes remain open to new accrual, and the current and anticipated levels of service cost and cash contributions, the Company considers that recognition of surpluses in the schemes on its Statement of Financial Position would be in accordance with the interpretations of IFRIC 14. In 2013 and 2012 all schemes were in deficit.

The deficit for the year, set out above, excludes a related deferred tax asset of £42.8 million (2013 £42.3 million, 2012 £74.6 million).

A reconciliation of the present value of the defined benefit obligation is shown in the following table:

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Defined benefit obligation at start of year		**(2,169.7)**	(2,089.0)	(1,921.1)
Current service cost		**(7.4)**	(8.8)	(12.0)
Current service cost in respect of salary sacrifice		**(3.0)**	(3.5)	(4.9)
Interest cost		**(97.7)**	(89.7)	(97.7)
Past service cost		**(0.3)**	–	–
Settlement/curtailment		**–**	3.8	–
Member contributions		**(0.1)**	(0.2)	(0.5)
Net benefit payments		**92.0**	91.5	85.0
Actuarial gain/(loss) as a result of:				
– changes in assumptions	38, 39	**(209.0)**	(80.8)	(116.7)
– membership experience	38, 39	**13.3**	7.0	(21.1)
Defined benefit obligation at the end of year		**(2,381.9)**	(2,169.7)	(2,089.0)

A reconciliation of the fair value of assets is shown in the following table:

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Fair value of assets at start of year		**1,962.0**	1,764.6	1,584.9
Interest income on scheme assets		**90.1**	76.8	82.6
Company contributions		**65.3**	43.8	82.0
Member contributions		**0.4**	0.2	0.5
Net benefit payments		**(92.0)**	(91.5)	(85.0)
Actuarial movement	38, 39	**145.8**	168.1	99.6
Administration expenses		**(1.5)**	–	–
Fair value of assets at end of year		**2,170.1**	1,962.0	1,764.6

NOTES TO THE ACCOUNTS
CONTINUED

34 Retirement benefit obligations continued

The fair value of the assets is categorised as follows:

	Equities	Bonds	Property	Other assets	Total
At 30 September 2014					
Quoted	**908.4**	**362.3**	**–**	**14.8**	**1,285.5**
Unquoted	**442.1**	**183.9**	**255.5**	**3.1**	**884.6**
% of assets held	**62.23%**	**25.17%**	**11.77%**	**0.82%**	**100.00%**
At 30 September 2013					
Quoted	729.1	438.1	–	36.3	1,203.5
Unquoted	408.7	147.9	201.8	0.1	758.5
% of assets held	57.99%	29.87%	10.29%	1.86%	100.00%
At 30 September 2012					
Quoted	620.8	469.5	–	28.4	1,118.7
Unquoted	360.9	112.1	172.6	0.3	645.9
% of assets held	55.63%	32.96%	9.78%	1.63%	100.00%

Equities include hedge funds and infrastructure funds.

The value of employer-related assets held on behalf of the schemes at 30 September 2014 was £15.3 million (0.70% of assets), (2013 £13.1 million, 0.67% of assets, 2012 £18.2 million, 1.03% of assets).

The main financial assumptions are shown in the following table:

	Year ending 30 September 2014 %	Year ending 30 September 2013 %	Year ending 30 September 2012 %
Price inflation	**3.10**	3.20	2.40
Salary increases	**3.00**	3.00	2.40
Pension increases	**3.00**	3.00	2.40
Discount rate	**4.00**	4.60	4.40

The discount rate for both scheme liabilities and the fair value of scheme assets reflects yields at the year end date on high-quality corporate bonds. All assumptions were selected after taking actuarial advice.

Mortality assumptions take account of scheme experience, and also allow for further improvements in life expectancy based on 'CMI' projections but with a long-term rate of improvement in future mortality rates of 1.25% per annum. Allowance is made for the extent to which employees have chosen to commute part of their pension for cash at retirement.

The average duration of the defined benefit obligation at the end of the year is approximately 17 years (2013 17 years).

The table below illustrates examples of the assumed average life expectancies from age 60 for the principal schemes:

	Year ending 30 September 2014 Future life expectancy from age 60 (years)	Year ending 30 September 2013 Future life expectancy from age 60 (years)	Year ending 30 September 2012 Future life expectancy from age 60 (years)
For a current 60-year-old male member of the scheme	**26.8**	27.0	27.2
For a current 60-year-old female member of the scheme	**28.7**	28.8	29.0
For a current 50-year-old male member of the scheme	**27.9**	28.3	28.7
For a current 50-year-old female member of the scheme	**29.8**	30.0	30.5

The amounts charged to the Consolidated Income Statement based on the above assumptions are shown in the following table:

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Current service cost		**(7.4)**	(8.8)
Current service cost in respect of salary sacrifice		**(3.0)**	(3.5)
Past service cost		**(0.3)**	–
Administration expenses		**(1.5)**	–
Settlement/curtailment	4	**–**	3.8
Charge to operating profit		**(12.2)**	(8.5)
Finance cost	10	**(7.6)**	(12.9)
Total net charge to the Consolidated Income Statement		**(19.8)**	(21.4)

Pension costs and the size of any pension surplus or deficit are sensitive to the assumptions adopted. The table below indicates the effect from changes in the principal assumptions used above:

		Year ending 30 September 2014 £m	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Mortality				
Change in pension obligation at 30 September 2014 from a one-year increase in life expectancy	+/-	**93.4**	82.4	77.2
Change in pension cost from a one-year increase	+/-	**4.0**	3.3	3.7
Inflation rate				
Change in pension obligation at 30 September 2014 from a 0.1% per annum increase	+/-	**27.6**	31.3	30.4
Change in pension cost from a 0.1% per annum increase	+/-	**1.2**	1.6	1.5
Discount rate				
Change in pension obligation at 30 September 2014 from a 0.1% per annum decrease	+/-	**42.0**	33.4	33.8
Change in pension cost from a 0.1% per annum decrease	+/-	**1.6**	1.5	1.4

There are significant risks in connection with running defined benefit schemes; key risks are highlighted below:

Discount rate risk
The present value of the defined benefit obligation is calculated using a discount rate set with reference to high-quality corporate bond yields. A decrease in corporate bond yields will increase the present value of the defined benefit obligation, although this will be partially offset by an increase in the value of corporate bonds held by the schemes.

Inflation rate risk
A significant proportion of the defined benefit obligation is linked to inflation, therefore increased inflation will result in a higher defined benefit obligation. The Trustees have sought to acquire certain assets with exposure to inflationary uplifts in order to negate a proportion of this risk.

Life expectancy risk
The present value of the defined benefit obligation is calculated with reference to the best estimate of the mortality of scheme members. An increase in assumed life expectancy will result in an increase in the defined benefit obligation. Regular reviews of mortality experience are performed to ensure life expectancy assumptions remain appropriate.

NOTES TO THE ACCOUNTS CONTINUED

34 Retirement benefit obligations continued

Investment risk

This is a measure of the uncertainty that the return on the scheme's assets keeps pace with the discount rate. The schemes hold a significant proportion of equities and similar 'growth assets', which are expected to outperform the discount rate in the long term.

Amounts recognised in the Consolidated Statement of Comprehensive Income (SOCI) are shown in the following table:

	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Actuarial (loss)/gain recognised in SOCI	**(49.9)**	94.3	(38.2)
Cumulative actuarial loss recognised in SOCI at beginning of year	**2.9**	(91.4)	(53.2)
Cumulative actuarial loss recognised in SOCI at end of year	**(47.0)**	2.9	(91.4)

A history of experience gains and losses is shown in the following table:

	At 30 September 2014 £m	At 30 September 2013 £m	At 2 October 2012 £m	At 3 October 2011 £m	At 4 October 2010 £m
Present value of defined benefit obligation	**(2,381.9)**	(2,169.7)	(2,089.0)	(1,921.1)	(1,878.2)
Fair value of scheme assets	**2,170.1**	1,962.0	1,764.6	1,584.9	1,606.8
Combined deficit in schemes	**(211.8)**	(207.7)	(324.4)	(336.2)	(271.4)
Experience adjustments on defined benefit obligation	**(195.7)**	(73.8)	(137.8)	(15.4)	57.5
Experience adjustments on fair value of scheme assets	**145.8**	168.1	99.6	(49.1)	111.9

The Group expects to contribute approximately £39.1 million to the schemes during the year to 30 September 2015 including the deficit funding payments described above.

UK defined contribution plans

The Group has introduced a number of PensionSaver group personal pension plans that have replaced the trust-based defined contribution pension plans previously offered to employees. These plans create a consistent pensions savings vehicle across all Group segments. The benefits for all members of the trust-based plans are currently being transferred to individual policies held in the member's own name. This transfer is expected to complete by the end of November 2014, following which the scheme will be wound up. Insured death benefits previously held under this trust have already been transferred to a new trust-based arrangement specifically for life assurance purposes.

The aggregate value of the group personal pension plans and the remaining trust-based defined contribution pension plans was £76.7 million (2013 £65.8 million, 2012 £50.3 million) at the year end. The pension cost attributable to these plans during the year amounted to £5.7 million (2013 £3.0 million, 2012 £1.9 million).

Overseas pension plans

Overseas subsidiaries of certain Group segments operate defined contribution retirement benefit plans, primarily in North America and Australia. The pension cost attributable to these plans during the year amounts to £3.7 million (2013 £2.9 million, 2012 £1.4 million).

Pension arrangements for executives

The Group operates a contributory defined benefit scheme for senior executives (including some Executive Directors), details of which are included in the above disclosures. However, no Executive Directors accrued further pension during the year.

35 Provisions

	Note	Contract discount £m	Coupon discount £m	Onerous leases £m	Reorganisation costs £m	Contingent consideration £m	Legal £m	Other (i) £m	Total £m
Current liabilities									
At 30 September 2012		12.2	1.8	1.3	8.2	0.7	2.8	7.2	34.2
Additions		–	–	–	–	4.6	–	–	4.6
Charged during year		16.4	8.2	0.5	(0.9)	–	5.2	27.1	56.5
Utilised during year		(9.9)	(8.0)	(1.5)	(5.6)	–	(5.0)	(16.9)	(46.9)
Transfer from non-current liabilities		–	–	2.2	–	1.6	–	1.4	5.2
Payments in advance		–	–	–	–	4.5	–	–	4.5
Contingent consideration paid		–	–	–	–	(4.5)	–	–	(4.5)
Notional interest on contingent consideration		–	–	–	–	0.2	–	–	0.2
Adjustment to goodwill/contingent consideration		–	–	–	–	(0.5)	–	–	(0.5)
Fair value adjustment to contingent consideration		–	–	–	–	2.6	–	–	2.6
Classified as held-for-sale	19	(0.2)	–	–	–	–	–	–	(0.2)
Exchange adjustment		0.1	–	(0.4)	–	–	(0.1)	–	(0.4)
At 30 September 2013		18.6	2.0	2.1	1.7	9.2	2.9	18.8	55.3
Owned by subsidiaries acquired	16	–	–	–	–	–	–	0.5	0.5
Additions	16	–	–	–	–	0.2	–	–	0.2
Charged during year		21.6	6.3	0.1	2.7	–	5.8	9.7	46.2
Financial liability for closed period purchases	44	–	–	–	–	–	–	20.0	20.0
Utilised during year		(13.9)	(6.4)	(1.3)	(1.2)	–	(4.7)	(18.1)	(45.6)
Release of payments made in advance in prior year		–	–	–	–	(4.5)	–	–	(4.5)
Transfer from non-current liabilities		–	–	1.4	–	15.1	–	0.4	16.9
Contingent consideration paid	16	–	–	–	–	(5.1)	–	–	(5.1)
Notional interest on contingent consideration	10	–	–	–	–	0.8	–	–	0.8
Fair value adjustment to contingent consideration	10	–	–	–	–	(2.1)	–	–	(2.1)
Classified as held-for-sale	19	(0.1)	–	–	–	–	–	–	(0.1)
Exchange adjustment		–	(0.1)	0.1	–	0.1		(0.1)	–
At 30 September 2014		**26.2**	**1.8**	**2.4**	**3.2**	**13.7**	**4.0**	**31.2**	**82.5**

NOTES TO THE ACCOUNTS
CONTINUED

35 Provisions continued

	Note	Contract discount £m	Coupon discount £m	Onerous leases £m	Reorganisation costs £m	Contingent consideration £m	Legal £m	Other (i) £m	Total £m
Non-current liabilities									
At 30 September 2012		–	–	2.8	–	5.9	–	5.7	14.4
Additions		–	–	–	–	10.2	–	–	10.2
Charged during year		–	–	13.0	–	–	–	6.3	19.3
Utilised during year		–	–	(0.6)		–	–	(0.5)	(1.1)
Transfer to current liabilities		–	–	(2.2)	–	(1.6)	–	(1.4)	(5.2)
Contingent consideration paid		–	–	–	–	(2.4)	–	–	(2.4)
Notional interest on contingent consideration		–	–	–	–	0.9	–	–	0.9
Adjustment to goodwill/contingent consideration		–	–	–	–	0.9	–	–	0.9
Fair value adjustment to contingent consideration		–	–	–	–	2.4	–	–	2.4
Exchange adjustment		–	–	0.1	–	0.7	–	(0.2)	0.6
At 30 September 2013		–	–	13.1	–	17.0	–	9.9	40.0
Owned by subsidiaries acquired	16	–	–	–	–	0.8	–	–	0.8
Additions	16	–	–	–	–	2.4	–	–	2.4
Charged during year		–	–	(0.5)	–	–	–	0.5	–
Utilised during year		–	–	(0.1)	–	–	–	(5.6)	(5.7)
Transfer to current liabilities		–	–	(1.4)	–	(15.1)	–	(0.4)	(16.9)
Notional interest on contingent consideration	10	–	–	–	–	0.6	–	–	0.6
Fair value adjustment to contingent consideration	10	–	–	–	–	1.0	–	–	1.0
Exchange adjustment		–	–	–	–	(0.2)	–	–	(0.2)
At 30 September 2014		**–**	**–**	**11.1**	**–**	**6.5**	**–**	**4.4**	**22.0**

(i) Other current provisions principally comprise a share buy-back provision amounting to £20.0 million (Note 44) (2013 £nil, 2012 £nil), dilapidation provisions of £2.5 million (2013 £4.3 million, 2012 £0.7 million), provisions for national insurance of £nil (2013 £2.1 million, 2012 £1.4 million) and loyalty programme provisions of £3.5 million (2013 £5.5 million, 2012 £nil).

Other non-current provisions principally comprise of dilapidation provisions of £2.9 million (2013 £2.1 million, 2012 £1.7 million), provision for national insurance of £0.1 million (2013 £nil, 2012 £1.1 million), a provision for amounts payable to the Newspaper Society following cessation of membership on the disposal of Northcliffe Newspapers Limited in 2012 of £1.0 million (2013 £nil, 2012 £nil) and a provision for remuneration following business combinations of £nil (2013 £7.6 million, 2012 £nil).

The uncertainties surrounding and the nature of the Group's contingent consideration provisions are disclosed in critical accounting judgements and key sources of estimation uncertainty (Note 2). The maturity profile of the Group's contingent consideration provision is as follows:

	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Expiring in one year or less	**13.7**	9.2	0.7
Expiring between one and two years	**0.8**	13.1	0.8
Expiring between two and five years	**5.7**	3.9	5.1
	20.2	26.2	6.6

The contingent consideration is based on future business valuations and profit multiples and has been estimated on an acquisition-by-acquisition basis using available data forecasts. The range of undiscounted outcomes for contingent consideration relating to acquisitions in the year is £nil to £19.8 million. Certain contingent consideration arrangements are not capped since they are based on future business performance.

36 Deferred taxation

	Note	Accelerated capital allowances £m	Goodwill and intangible assets £m	Share-based payments £m	Deferred interest £m	Trading losses and tax credits £m	Pension scheme deficit £m	Other £m	Total £m
Disclosed within non-current liabilities		0.5	30.4	(4.1)	–	–	(0.6)	(2.3)	23.9
Disclosed within non-current assets		(19.0)	47.6	(13.7)	(107.2)	(12.8)	(80.4)	(19.2)	(204.7)
At 30 September 2012		(18.5)	78.0	(17.8)	(107.2)	(12.8)	(81.0)	(21.5)	(180.8)
(Credit)/charge to income		(4.3)	10.7	(0.3)	(10.2)	(12.6)	7.5	8.1	(1.1)
(Credit)/charge to income due to change in tax rate		2.7	(1.6)	1.0	5.3	0.9	(5.6)	0.6	3.3
Credit to equity		–	–	(1.4)	–	–	16.3	(0.1)	14.8
Charge to equity due to change in tax rate		–	–	–	–	–	14.5	–	14.5
Owned by subsidiaries acquired		–	5.5	–	–	–	–	–	5.5
Owned by subsidiaries sold		(3.1)	(0.1)	–	–	(1.5)	(2.0)	0.2	(6.5)
Exchange adjustment		–	(0.2)	–	–	1.4	–	–	1.2
At 30 September 2013		(23.2)	92.3	(18.5)	(112.1)	(24.6)	(50.3)	(12.7)	(149.1)
Disclosed within non-current liabilities		(0.6)	28.9	(3.4)	(1.1)	(1.4)	(0.6)	–	21.8
Disclosed within non-current assets		(22.6)	63.4	(15.1)	(111.0)	(23.2)	(49.7)	(12.7)	(170.9)
(Credit)/charge to income	11	2.0	(1.9)	7.4	(12.7)	(5.6)	7.9	(1.1)	(4.0)
Credit to equity	38,39	–	(0.8)	1.2	–	–	(9.9)	–	(9.5)
Owned by subsidiaries acquired	16	–	9.0	–	–	–	–	–	9.0
Owned by subsidiaries sold	17		(3.0)	–	–	–	–	–	(3.0)
Classified as held-for-sale	19	0.2	(3.3)	–	–	–	–	(0.1)	(3.2)
Exchange adjustment		–	(0.1)	–	–	0.5	–	0.2	0.6
At 30 September 2014		**(21.0)**	**92.2**	**(9.9)**	**(124.8)**	**(29.7)**	**(52.3)**	**(13.7)**	**(159.2)**
Disclosed within non-current liabilities		**0.5**	**30.5**	**(0.9)**	**(0.4)**	**(2.1)**	**(1.0)**	**(5.4)**	**21.2**
Disclosed within non-current assets		**(21.5)**	**61.7**	**(9.0)**	**(124.4)**	**(27.6)**	**(51.3)**	**(8.3)**	**(180.4)**
At 30 September 2014		**(21.0)**	**92.2**	**(9.9)**	**(124.8)**	**(29.7)**	**(52.3)**	**(13.7)**	**(159.2)**

The deferred tax assets disclosed in the Consolidated Statement of Financial Position in respect of deferred interest, tax losses and tax credits are analysed as follows:

	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
UK	**53.4**	43.9	39.6
Rest of Europe	**2.1**	1.4	–
North America	**87.8**	78.7	75.0
Australia	**11.2**	12.7	5.4
	154.5	136.7	120.0

These losses have been recognised on the basis that the Directors are of the opinion, based on recent and forecast trading, that sufficient suitable taxable profits will be generated in the relevant territories in future accounting periods, such that it is considered probable that these assets will be recovered. Of these assets £6.6 million (2013 £nil, 2012 £nil) have expiry dates between 2021 and 2034.

Included in the credit to income of £4.0 million (2013 £5.4 million, 2012 £15.1 million) is a charge of £0.2 million (2013 £1.5 million, 2012 £9.3 million) relating to discontinued operations.

Included in Other deferred tax are deferred tax assets of £nil (2013 £nil, 2012 £1.7 million) in respect of capital losses and deferred tax liabilities of £nil (2013 £nil, 2012 £1.7 million) in respect of revaluations and rolled over gains and £0.4 million (2013 £0.4 million, 2012 £0.4 million) in respect of financial instruments. The £nil credit to equity (2013 credit of £0.1 million, 2012 charge of £1.9 million) relates entirely to financial instruments.

There is an unrecognised deferred tax asset of £61.1 million (2013 £54.8 million, 2012 £79.1 million) which relates to revenue losses where there is insufficient certainty that these losses will be utilised in the foreseeable future. There is an additional unprovided deferred tax asset relating to capital losses carried forward of £88.4 million (2013 £92.4 million, 2012 £62.4 million). Of these assets £8.6 million (2013 £nil, 2012 £nil) have expiry dates between 2022 and 2033.

No deferred tax liability is recognised on temporary differences of £219.0 million (2013 £177.5 million, 2012 £117.2 million) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The temporary differences at 30 September 2014 represent only the unremitted earnings of those overseas subsidiaries where remittance to the UK of those earnings may still result in a tax liability, principally as a result of a dividend withholding taxes levied by the overseas tax jurisdictions in which these subsidiaries operate.

NOTES TO THE ACCOUNTS
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37 Called-up share capital

	Allotted, issued and fully paid At 30 September 2014 £m	Allotted, issued and fully paid At 30 September 2013 £m	Allotted, issued and fully paid At 30 September 2012 £m
Ordinary Shares of 12.5 pence each	**2.5**	2.5	2.5
A Ordinary Non-Voting Shares of 12.5 pence each	**46.7**	46.7	46.6
	49.2	49.2	49.1

	Allotted, issued and fully paid At 30 September 2014 Number of shares	Allotted, issued and fully paid At 30 September 2013 Number of shares	Allotted, issued and fully paid At 30 September 2012 Number of shares
Ordinary Shares	**19,890,364**	19,886,472	19,886,472
A Ordinary Non-Voting Shares	**373,966,557**	373,687,330	373,073,648
	393,856,921	393,573,802	392,960,120

The two classes of shares are equal in all respects, except that the A Ordinary Non-Voting Shares do not have voting rights and hence their holders are not entitled to vote at general meetings of the Company.

During the year the Company disposed of 3.8 million A Ordinary Non-Voting Shares, in order to satisfy incentive schemes. This represented 1.0% of the called-up A Ordinary Non-Voting Share capital at 30 September 2014.

The Company also purchased 5.5 million A Ordinary Non-Voting Shares having a nominal value of £0.7 million to match obligations under incentive plans. The consideration paid for these shares was £49.2 million.

The Company also purchased 5.1 million A Ordinary Non-Voting Shares having a nominal value of £0.6 million as part of a share buy-back programme. The consideration paid for these shares was £42.1 million.

Shares repurchased during the year represented 2.8% of the called-up A Ordinary Non-Voting Share capital at 30 September 2014.

At 30 September 2014 options were outstanding under the terms of the Company's 1997 and 2006 Executive Share Option Schemes, together with nil cost options, over a total of 2,667,385 A Ordinary Non-Voting Shares (2013 3,507,058 Shares, 2012 4,929,968 Shares).

38 Reserves

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Share premium account			
At start of year		**16.3**	13.5
Issue of shares		**1.5**	2.8
At end of year		**17.8**	16.3
Capital redemption reserve			
At start and end of year		**1.1**	1.1
Own shares			
At start of year		**(116.6)**	(43.8)
Purchase of DMGT shares	37	**(91.3)**	(94.6)
Group share of Euromoney own shares acquired		**(14.6)**	–
Own shares released on vesting of share options		**23.4**	21.8
Financial liability for closed period purchases	35, 44	**(20.0)**	–
At end of year		**(219.1)**	(116.6)

The Group's investment in its own shares represent shares held in treasury or shares held by an employee benefit trust to satisfy incentive schemes.

At 30 September 2014, this investment comprised 25,082,829 A Ordinary Non-Voting Shares (2013 20,412,954 shares, 2012 10,188,174 shares) held in treasury and 2,196,080 A Ordinary Non-Voting Shares (2013 nil, 2012 nil) held in the employee benefit trust. The market value of the Treasury Shares at 30 September 2014 was £192.1 million (2013 £155.5 million, 2012 £49.1 million) and the market value of the shares held in the employee benefit trust at 30 September 2014 was £16.8 million (2013 £nil, 2012 £nil).

The employee benefit trust is independently managed and purchases shares in order to satisfy outstanding share options and potential awards under long-term incentive plans.

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Translation reserve			
At start of year		**(37.0)**	(32.6)
Foreign exchange differences on translation of foreign operations		**13.6**	(2.0)
Translation reserves recycled to Consolidated Income Statement on disposals	8, 17, 18	**(1.9)**	(2.5)
Transfer of loss on cash flow hedges from translation reserve to Consolidated Income Statement		**0.8**	1.4
Change in fair value of cash flow hedges		**(1.1)**	(2.3)
Gain on hedges of net investments in foreign operations		**2.9**	1.0
At end of year		**(22.7)**	(37.0)

The translation reserve arises on the translation into sterling of the net assets of the Group's foreign operations, offset by changes in fair value of financial instruments used to hedge this exposure.

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
Retained earnings			
At start of year		**310.1**	169.1
Net profit for the year		**262.9**	164.6
Dividends paid	12	**(72.8)**	(69.6)
Expenses incurred in relation to scheme of arrangement		**0.2**	(1.5)
Actuarial (loss)/gain on defined benefit pension schemes	34	**(49.2)**	93.8
Credit to equity for share-based payments		**9.6**	12.5
Settlement of exercised share options of subsidiaries		**(5.7)**	(11.0)
Initial recording of put options granted to non-controlling interests in subsidiaries	(i)	**(19.6)**	(3.0)
Exercise of acquisition put option commitments		**0.1**	–
Adjustment to equity following increased stake in controlled entity		**2.3**	(16.1)
Adjustment to equity following decreased stake in controlled entity		**(2.9)**	(0.7)
Current tax on items recognised in equity		**1.8**	1.4
Deferred tax on actuarial movement	36	**9.8**	(30.7)
Deferred tax on other items recognised directly in equity	36	**(0.1)**	1.3
At end of year		**446.5**	310.1
At end of year – total reserves		**223.6**	173.9

(i) £19.6 million (2013 £3.0 million, 2012 £nil) representing the fair value of written put options granted to non-controlling interests in the year has been recorded as a reduction in equity on initial recognition, as the arrangement represents a transaction with equity holders. Changes in fair value after initial recognition are recorded in the Consolidated Income Statement.

NOTES TO THE ACCOUNTS
CONTINUED

39 Non-controlling interests

	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m
At start of year		**113.6**	95.3
Share of profit for the year		**20.1**	23.4
Dividends paid		**(9.7)**	(9.1)
Shares issued		**0.8**	2.3
Non-controlling interests arising from business combinations	16	**0.9**	1.4
(Loss)/gain on hedges of net investments in foreign operations		**(1.1)**	1.4
Transfer of loss on cash flow hedges to Consolidated Income Statement		**0.4**	0.8
Change in fair value of cash flow hedges		**(0.5)**	(1.1)
Foreign exchange differences on translation of foreign operations		**(1.2)**	(2.4)
Actuarial (loss)/gain on defined benefit pension schemes	34	**(0.7)**	0.5
Exercise of acquisition put option commitments		**(0.1)**	–
Credit to equity for share-based payments		**0.7**	0.3
Deferred tax on actuarial movement	36	**0.1**	(0.1)
Deferred tax on other items recognised directly in equity	36	**(0.3)**	0.2
Current tax on items recognised in equity		**0.9**	0.7
Adjustment to non-controlling interest following decreased stake in controlled entity		**2.9**	0.7
Adjustment to non-controlling interest following increased stake in controlled entity		**(2.3)**	0.6
Other transactions with non-controlling interests		**0.2**	–
Initial recording of put options granted to non-controlling interests in subsidiaries		**–**	(1.3)
Euromoney own shares acquired		**(6.9)**	–
At end of year		**117.8**	113.6

40 Commitments and contingent liabilities
Commitments

	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Property, plant and equipment			
Contracted but not provided in the financial statements	**0.5**	0.2	0.7

At 30 September 2014 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	At 30 September 2014 Properties £m	At 30 September 2013 Properties £m	At 30 September 2012 Properties £m	At 30 September 2014 Plant and equipment £m	At 30 September 2013 Plant and equipment £m	At 30 September 2012 Plant and equipment £m
Within one year	**32.8**	28.0	27.9	**11.3**	2.8	5.9
Between one and two years	**27.3**	26.0	24.7	**7.9**	2.0	5.1
Between two and five years	**63.0**	61.5	56.9	**3.0**	2.3	3.4
After five years	**63.5**	69.9	66.4	**–**	–	–
	186.6	185.4	175.9	**22.2**	7.1	14.4

The Group's most significant leasing arrangements relate to rented properties. The Group negotiates lease contracts according to the Group's needs with a view to balancing stability and security of tenure and lease terms with the risk of entering into excessively long or onerous arrangements. Of the Group's rented properties, the most significant commitment relates to the head office premises at 2 Derry Street, London W8 5TT. This lease expires on 25 December 2022.

Future payments under non-cancellable agreements made to secure venues for future events and exhibitions are separately disclosed below.

	At 30 September 2014 £m	At 30 September 2013 £m	At 30 September 2012 £m
Within one year	**10.4**	12.0	12.6
Between one and two years	**1.7**	4.9	1.3
Between two and five years	**–**	1.2	0.8
	12.1	18.1	14.7

The Group entered into arrangements with its ink suppliers to obtain ink for the period to September 2018 at competitive prices and to secure supply. At the year end, the commitment to purchase ink over this period was £53.7 million (2013 £65.1 million, 2012 £76.8 million).

The Group has entered into agreements with certain printers for periods up to 2022 at competitive prices and to secure supply. At the year end, the commitment to purchase printing capacity over this period was £61.9 million (2013 £59.1 million, 2012 £68.6 million).

Contingent liabilities
The Group has issued standby letters of credit of £1.8 million (2013 £1.2 million, 2012 £2.4 million).

The Group is exposed to libel claims in the ordinary course of business and vigorously defends against claims received. The Group makes provision for the estimated costs to defend such claims when incurred and provides for any settlement costs when such an outcome is judged probable.

Four writs claiming damages for libel were issued in Malaysia against Euromoney and three of its employees in respect of an article published in one of Euromoney's magazines, International Commercial Litigation, in November 1995. The writs were served on Euromoney on 22 October 1996. Two of these writs have been discontinued. The total outstanding amount claimed on the two remaining writs is Malaysian ringgit 82.6 million (£15.5 million). No provision has been made for these claims in these financial statements as the Directors do not believe that Euromoney has any material liability in respect of these writs.

41 Share-based payments

The Group offers a number of share-based remuneration schemes to Directors and certain employees. The principal schemes comprise share options under the DMGT, Euromoney and within dmg information, RMS, Genscape and Trepp Executive Share Option Schemes (ESOS), the Euromoney Capital Appreciation Plan and the Company's LTIP. Share options are exercisable after three years, subject in some cases to the satisfaction of performance conditions, and up to 10 years from the date of grant at a price equivalent to the market value of the respective shares at the date of grant. Details of the performance conditions relating to the DMGT schemes are explained in the Remuneration Report on pages 51 to 73.

For equity-settled share-based payment transactions, IFRS 2, Share-based payments applies to grants of shares, share options or other equity instruments made after 7 November 2002 that had not vested by 1 January 2005.

The charge to the Consolidated Income Statement is as follows:

Segment	Scheme	Note	Year ending 30 September 2014 £m	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
DMGT Board and head office	Executive Share Option Scheme		**0.2**	0.4	0.3
	Executive Bonuses		**0.1**	0.4	0.5
	Long-Term Incentive Plan		**2.2**	1.7	1.9
RMS	Option Plan		**5.9**	7.6	6.6
Euromoney	Capital Appreciation Plan		**2.4**	2.1	2.3
dmg information	Option Plan		**1.3**	1.7	1.6
dmg media	Long-Term Incentive Plan		**0.1**	–	–
Social security costs			**0.5**	4.2	1.2
		6	**12.7**	18.1	14.4

The fair value of share options for each of these schemes was determined using a Black-Scholes model. Full details of inputs to the models, particular to each scheme, are set out below. With respect to all schemes, expected volatility has been estimated, based upon relevant historical data in respect of the DMGT A Ordinary share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability.

The Group did not reprice any of its outstanding options during the year.

NOTES TO THE ACCOUNTS CONTINUED

41 Share-based payments continued

Further details of the Group's schemes are set out below:

DMGT 1997 Executive Share Option Scheme

Details of the terms and conditions relating to this scheme are set out in the Remuneration Report on page 58.

	Year ending 30 September 2014 Number of share options	Year ending 30 September 2014 Weighted average exercise price £	Year ending 30 September 2013 Number of share options	Year ending 30 September 2013 Weighted average exercise price £	Year ending 30 September 2012 Number of share options	Year ending 30 September 2012 Weighted average exercise price £
Outstanding at 1 October 2013	**879,450**	**6.73**	1,401,480	6.44	1,737,745	6.43
Forfeited during the year	**–**	**–**	(512,030)	5.94	(336,265)	6.42
Exercised during the year	**–**	**–**	(10,000)	6.08	–	–
Expired during the year	**(534,742)**	**6.40**	–	–	–	–
Outstanding at 30 September 2014	**344,708**	**7.24**	879,450	6.73	1,401,480	6.44
Exercisable at 30 September 2014	**–**	**–**	–	–	–	–
Exercisable at 1 October 2013	**–**	**–**	–	–	–	–

The options outstanding at 30 September 2014 had a weighted average remaining contractual life of 0.2 years (2013 0.8 years, 2012 1.3 years).

The inputs into the Black-Scholes model for options, granted since 7 November 2002 are as follows:

Date of grant	6 December 2004
Market value of shares at date of grant (£)	7.24
Option price (£)	7.24
Number of share options outstanding	344,708
Term of option (years)	10.00
Assumed period of exercise after vesting (years)	6.50
Exercise price (£)	7.24
Risk-free rate (%)	4.50
Change in fair value of cash flow hedges	1.52
Volatility (%)	20.00
Fair value per option (£)	1.70

DMGT 2006 Executive Share Option Scheme

Under the DMGT 2006 Executive Share Option Scheme, each award of options has a maximum life of 10 years. The maximum award limit is 100% of salary in any year in normal circumstances and 200% of salary in exceptional circumstances. Awards will not normally vest until three years after the award and the performance conditions have been met. No options were outstanding to Directors during the year.

	Year ending 30 September 2014 Number of share options	Year ending 30 September 2014 Weighted average exercise price £	Year ending 30 September 2013 Number of share options	Year ending 30 September 2013 Weighted average exercise price £	Year ending 30 September 2012 Number of share options	Year ending 30 September 2012 Weighted average exercise price £
Outstanding at 1 October 2013	**1,737,078**	**4.71**	2,301,074	4.59	2,394,074	4.73
Granted during the year	**108,469**	**9.16**	188,250	5.27	370,000	3.96
Forfeited during the year	**(40,000)**	**4.63**	(148,564)	6.22	(164,000)	5.91
Exercised during the year	**(315,792)**	**5.37**	(603,682)	4.68	(299,000)	2.96
Expired during the year	**(30,703)**	**5.99**	–	–	–	–
Outstanding at 30 September 2014	**1,459,052**	**4.87**	1,737,078	4.71	2,301,074	4.59
Exercisable at 30 September 2014	**857,333**	**4.62**	918,828	4.71	1,183,647	5.15
Exercisable at 1 October 2013	**918,828**	**4.71**	1,183,647	5.15	1,100,647	5.97

The aggregate of the estimated fair values of the options granted during the year is £0.2 million (2013 £0.2 million, 2012 £0.3 million).

The options outstanding at 30 September 2014 had a weighted average remaining contractual life of 5.6 years (2013 6.2 years, 2012 6.5 years).

The inputs into the Black-Scholes model are as follows:

Date of grant	31 March 2006	27 November 2006	17 December 2007	27 May 2008	24 November 2008	26 January 2009
Market value of shares at date of grant (£)	6.98	6.88	5.05	4.02	2.50	2.53
Option price (£)	6.98	6.88	5.05	4.02	2.50	2.53
Number of share options outstanding	106,000	96,476	78,108	35,000	168,000	52,887
Term of option (years)	10.00	10.00	10.00	10.00	10.00	10.00
Assumed period of exercise after vesting (years)	7.00	7.00	7.00	7.00	7.00	7.00
Exercise price (£)	6.98	6.88	5.05	4.02	2.50	2.53
Risk-free rate (%)	4.50	4.30	4.30	4.30	3.00	3.00
Expected dividend yield (%)	1.72	1.90	2.84	3.66	5.89	5.81
Volatility (%)	20.00	20.00	20.00	20.00	40.00	40.00
Fair value per option (£)	1.53	1.51	1.18	0.92	0.56	0.56

Date of grant	14 December 2009	6 December 2010	5 December 2011	27 June 2012	17 December 2012	9 December 2013
Market value of shares at date of grant (£)	4.04	5.39	3.98	3.91	5.27	9.16
Option price (£)	4.04	5.39	3.98	3.91	5.27	9.16
Number of share options outstanding	194,427	126,435	235,000	100,000	158,250	108,469
Term of option (years)	10.00	10.00	10.00	10.00	10.00	10.00
Assumed period of exercise after vesting (years)	7.00	7.00	7.00	7.00	7.00	5.00
Exercise price (£)	4.04	5.39	3.98	3.91	5.27	9.16
Risk-free rate (%)	3.00	2.00	1.50	1.00	1.00	1.50
Expected dividend yield (%)	3.64	2.97	4.27	4.43	3.42	2.00
Volatility (%)	40.00	30.00	30.00	30.00	30.00	25.00
Fair value per option (£)	1.13	1.22	0.71	0.70	0.98	1.69

Nil-cost options under the DMGT Executive Bonus Scheme

Since December 2009 a portion of the bonus earned by Executive Directors under the Executive Bonus Scheme has been deferred into shares in the form of nil-cost options. These options are to the value of the equity portion of the bonus and are fully expensed in the year in which they are earned. Details of the nil-cost options awarded and outstanding are shown in the table on page 55 in the Remuneration Report. The total bonus is calculated in accordance with the Plan rules, as set out on page 54 of the Remuneration Report.

	Year ending 30 September 2014 Number of share options	Year ending 30 September 2014 Weighted average exercise price £	Year ending 30 September 2013 Number of share options	Year ending 30 September 2013 Weighted average exercise price £	Year ending 30 September 2012 Number of share options	Year ending 30 September 2012 Weighted average exercise price £
Outstanding at 1 October 2013	**890,530**	**–**	1,227,394	–	951,445	–
Granted during the year	**78,401**	**–**	193,276	–	275,949	–
Exercised during the year	**(105,306)**	**–**	(530,140)	–	–	–
Outstanding at 30 September 2014	**863,625**	**–**	890,530	–	1,227,394	–
Exercisable at 30 September 2014	**–**	**–**	–	–	–	–
Exercisable at 1 October 2013	**–**	**–**	–	–	–	–

NOTES TO THE ACCOUNTS
CONTINUED

41 Share-based payments continued

DMGT Long-Term Incentive Plan

Details of the terms and conditions relating to these schemes are set out in the Remuneration Report on page 65.

	Year ending 30 September 2014 Number of share options	Year ending 30 September 2014 Weighted average exercise price £	Year ending 30 September 2013 Number of share options	Year ending 30 September 2013 Weighted average exercise price £	Year ending 30 September 2012 Number of share options	Year ending 30 September 2012 Weighted average exercise price £
Outstanding at 1 October 2013	**2,364,655**	**4.96**	2,126,265	4.84	1,555,853	5.14
Granted during the year	**366,980**	**8.97**	694,489	5.27	643,614	4.37
Forfeited during the year	**–**	**–**	(422,952)	4.71	–	–
Exercised during the year	**(136,797)**	**6.75**	(33,147)	4.63	–	–
Expired during the year	**(321,267)**	**5.59**	–	–	(73,202)	7.06
Outstanding at 30 September 2014	**2,273,571**	**5.41**	2,364,655	4.96	2,126,265	4.84
Exercisable at 30 September 2014	**187,673**	**4.04**	–	–	–	–
Exercisable at 1 October 2013	**–**	**–**	–	–	–	–

The aggregate of the estimated fair values of the awards granted during the year is £3.3 million (2013 £3.7 million, 2012 £2.8 million).

The awards outstanding at 30 September 2014 had a weighted average remaining contractual life of 2.5 years (2013 2.6 years, 2012 2.2 years).

Options under the DMGT Long-Term Incentive Scheme

The inputs into the Black-Scholes model are as follows:

Date of grant	19 December 2009	19 December 2009	19 December 2009	19 December 2009	19 December 2009
Market value of shares at date of grant (£)	4.04	4.04	4.04	4.04	4.04
Option price (£)	4.04	4.04	4.04	4.04	4.04
Number of share options outstanding	125,115	62,558	62,558	62,558	62,558
Term of option (years)	2.78	3.00	4.00	5.00	6.00
Assumed period of exercise after vesting (years)	Nil	Nil	Nil	Nil	Nil
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	3.00	3.00	3.00	3.00	3.00
Expected dividend yield (%)	3.64	3.64	3.64	3.64	3.64
Volatility (%)	40.00	40.00	40.00	40.00	40.00
Fair value per option (£)	4.04	4.04	4.04	4.04	4.04

Date of grant	20 December 2010	20 December 2010	20 December 2010	20 December 2010	20 December 2010
Market value of shares at date of grant (£)	5.59	5.59	5.59	5.59	5.59
Option price (£)	5.59	5.59	5.59	5.59	5.59
Number of share options outstanding	82,323	41,161	41,161	41,161	41,161
Term of option (years)	2.78	3.00	4.00	5.00	6.00
Assumed period of exercise after vesting (years)	Nil	Nil	Nil	Nil	Nil
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	3.00	3.00	3.00	3.00	2.00
Expected dividend yield (%)	2.86	2.86	2.86	2.86	2.86
Volatility (%)	30.00	30.00	30.00	30.00	30.00
Fair value per option (£)	5.59	5.59	5.59	5.59	5.59

Date of grant	13 February 2012	10 December 2012	9 December 2013
Market value of shares at date of grant (£)	4.37	5.27	9.16
Option price (£)	4.37	5.27	9.16
Number of share options outstanding	713,470	588,631	349,156
Term of option (years)	5.00	5.00	5.00
Assumed period of exercise after vesting (years)	Nil	Nil	Nil
Exercise price (£)	Nil	Nil	Nil
Risk-free rate (%)	1.00	1.00	1.50
Expected dividend yield (%)	–	–	–
Volatility (%)	30.00	30.00	25.00
Fair value per option (£)	4.37	5.27	9.07

RMS option plan
RMS options were granted at market value. The options become exercisable after a four-year vesting period and lapse 10 years and five years from grant date under the 2001 and 2005 option plan respectively. Previously, the stock issued under the plan was subject to a nine-month holding period, which was subsequently removed during 2007. The stock issued under the plan is subject to put or call options where DMGT has the right to settle in DMGT A Ordinary Shares or cash. The options plan classification changed from a cash-settled plan in June 2005 to an equity-settled plan following this change of settlement feature of stock issued under the plan. After 30 September 2011 options under the 2001 and 2005 plan are no longer awarded.

During the year ended 30 September 2011 RMS introduced the Executive Incentive Plan (EIP) and the Long-Term Incentive Plan (LTIP). Under the EIP options and Restricted Stock Units (RSU) were awarded to senior management. Under the LTIP RSUs were awarded to key employees. The options and RSUs were granted at market value under both plans. The options vest based on the conditions of time and Company performance at three and five years from date of grant. The options lapse after seven years from grant date. The RSUs under both plans vest annually over three years.

A 2014 Equity Award Plan (the Plan) was introduced during the year ended 30 September 2014. Under the Plan options and RSUs, both time and performance based, are granted to employees who are deemed to be in a position to contribute to the long-term success of RMS.

The RSU expense is determined by the fair market value of RMS stock at the date of grant. The expense is amortised using an accelerated method. Under this method the RSUs are equally allocated to each of the three annual vesting components and the related expense is amortised over 12, 24, and 36 months respectively.

	Year ending 30 September 2014 Number of share options	Year ending 30 September 2014 Weighted average exercise price US$	Year ending 30 September 2013 Number of share options	Year ending 30 September 2013 Weighted average exercise price US$	Year ending 30 September 2012 Number of share options	Year ending 30 September 2012 Weighted average exercise price US$
Outstanding at 1 October 2013	**2,043,599**	**47.10**	2,890,562	46.59	4,570,290	45.67
Granted during the year	**966,500**	**58.35**	86,695	51.93	132,682	52.27
Forfeited during the year	**(284,448)**	**54.33**	(225,167)	46.67	(420,694)	46.59
Exercised during the year	**(677,103)**	**47.20**	(708,491)	45.87	(1,383,549)	44.17
Expired during the year	**–**	**–**	–	–	(8,167)	36.40
Outstanding at 30 September 2014	**2,048,548**	**51.36**	2,043,599	47.10	2,890,562	46.59
Exercisable at 30 September 2014	**725,286**	**46.12**	724,984	45.95	1,134,841	45.86
Exercisable at 1 October 2013	**724,984**	**45.95**	1,134,841	45.86	2,265,976	44.71

The weighted average share price at the date of exercise for share options exercised during the year was US$58.35 (2013 US$51.93, 2012 US$52.27).

The options outstanding at 30 September 2014 had a weighted average exercise price of US$51.36 (2013 US$47.10, 2012 US$46.59) and a weighted average remaining contractual life of 4.0 years (2013 3.0 years, 2012 3.3 years).

NOTES TO THE ACCOUNTS
CONTINUED

41 Share-based payments continued

The inputs into the Black-Scholes model are as follows:

Date of grant	During 2004	During 2005	During 2009	During 2010	During 2011
Market value of shares at date of grant (US$)	9.13	16.61	47.81	45.25	46.89
Option price (US$)	9.13	16.61	47.81	45.25	46.89
Number of share options outstanding	907	7,251	0	316,799	817,076
Term of option (years)	2.67	3.67	3.80	3.80	4.30
Assumed period of exercise after vesting (years)	6–9	6–9	6–9	6–9	6–9
Exercise price (US$)	9.13	16.61	47.81	45.25	46.89
Risk-free rate (%)	4.00	4.00	2.20	1.78	2.27
Expected dividend yield (%)	2.00	2.00	2.50	2.63	3.05
Volatility (%)	35.00	35.00	29.32	36.58	33.00
Fair value per option (US$)	17.91	12.53	9.59	10.93	10.08

Date of grant	During 2012	During 2013	During 2014
Market value of shares at date of grant (US$)	52.27	56.46	58.35
Option price (US$)	52.27	56.46	58.35
Number of share options outstanding	63,530	42,485	800,500
Term of option (years)	4.75	4.64	7.00
Assumed period of exercise after vesting (years)	6–9	6–9	3–6
Exercise price (US$)	52.27	56.46	58.35
Risk-free rate (%)	1.25	1.09	1.25
Expected dividend yield (%)	3.05	3.01	2.91
Volatility (%)	35.15	33.52	28.81
Fair value per option (US$)	10.08	13.13	10.78

Expected volatility was determined by calculating the historical volatility of comparable companies.

Euromoney Capital Appreciation Plan 2014 (CAP 2014)

The CAP 2014 was approved by Euromoney's shareholders on 30 January 2014 as a replacement for CAP 2010. Each CAP 2014 award comprises two equal instalments: an option to subscribe for Ordinary Shares of 0.25 pence each in Euromoney for nil consideration and a right to receive a cash payment. The value of the awards is linked directly to the growth in profits over the performance period. The award pool comprises a maximum of 3.5 million Euromoney shares and cash of £7.6 million, limiting the cost of the scheme to £41.0 million over its life. Awards will vest in three equal tranches, subject to the performance conditions, and lapse to the extent unexercised by 30 September 2023.

	Year ending 30 September 2014 Number of share options	Year ending 30 September 2014 Weighted average exercise price £	Year ending 30 September 2013 Number of share options	Year ending 30 September 2013 Weighted average exercise price £	Year ending 30 September 2012 Number of share options	Year ending 30 September 2012 Weighted average exercise price £
Outstanding at 1 October 2013	**–**	**–**	–	–	–	–
Granted during the year	**2,097,363**	**0.0025**	–	–	–	–
Outstanding at 30 September 2014	**2,097,363**	**0.0025**	–	–	–	–
Exercisable at 30 September 2014	**–**	**–**	–	–	–	–
Exercisable at 1 October 2013	**–**	**–**	–	–	–	–

The options outstanding at 30 September 2014 had a weighted average exercise price of £0.0025 (2013 n/a, 2012 n/a) and a weighted average remaining contractual life of 9.01 years (2013 n/a, 2012 n/a).

The aggregate of the estimated fair values of the options granted during the year is £20.0 million (2013 £nil, 2012 £nil).

The inputs into the Black-Scholes model are as follows:

Date of grant	20 June 2014	20 June 2014	20 June 2014
Market value of shares at date of grant (£)	11.16	11.16	11.16
Option price (p)	0.25	0.25	0.25
Number of share options outstanding	140,412	832,998	1,123,953
Term of option (years)	9.28	9.28	9.28
Assumed period of exercise after vesting (years)	4.00	5.00	6.00
Exercise price (p)	0.25	0.25	0.25
Risk-free rate (%)	1.50	1.90	2.30
Expected dividend yield (%)	8.43	8.43	8.43
Fair value per option (£)	9.89	9.57	9.19

The CAP 2014 options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise. The expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Euromoney Share Option Plan (CSOP 2014)
Euromoney's shareholders approved the CSOP 2014 at the Euromoney AGM on 30 January 2014. The CSOP 2014 was approved by HM Revenue and Customs on 31 March 2014. Awards were granted under the CSOP 2014 on 20 June 2014. Each CSOP 2014 option enables each UK participant to purchase up to 2,688 shares and each Canadian participant to purchase up to 8,963 shares in Euromoney at a price of £11.15 per share, the market value at the date of grant. The options vested and became exercisable at the same time as the corresponding share award under the CAP 2014. The CSOP 2014 has the same performance criteria as that of the CAP 2014. The number of CSOP 2014 awards that vest proportionally reduce the number of shares that vest under the CAP 2014. The CSOP 2014 is effectively a delivery mechanism for part of the CAP 2014 award. The CSOP 2014 options have an exercise price of £11.15 which will be satisfied by a funding award mechanism which is in place and results in a net gain on these options being delivered in the equivalent number of shares to participants as if the same gain had been delivered using the CAP 2014 options. The amount of the funding award will depend on the Euromoney share price at the date of exercise.

	Year ending 30 September 2014 Number of share options	Year ending 30 September 2014 Weighted average exercise price £	Year ending 30 September 2013 Number of share options	Year ending 30 September 2013 Weighted average exercise price £	Year ending 30 September 2012 Number of share options	Year ending 30 September 2012 Weighted average exercise price £
Outstanding at 1 October 2013	**–**		–	–	–	–
Granted during the year	**517,031**	**0.0025**	–	–	–	–
Outstanding at 30 September 2014	**517,031**	**0.0025**	–	–	–	–
Exercisable at 30 September 2014	**–**	**–**	–	–	–	–
Exercisable at 1 October 2013	**–**	**–**	–	–	–	–

The options outstanding at 30 September 2014 had a weighted average exercise price of £0.0025 (2013 n/a, 2012 n/a) and a weighted average remaining contractual life of 9.01 years (2013 n/a, 2012 n/a).

The aggregate of the estimated fair values of the options granted during the year is £4.9 million (2013 £nil, 2012 £nil).

The inputs into the Black-Scholes model are as follows:

Date of grant	20 June 2014
Market value of shares at date of grant (£)	11.16
Option price (£)	11.16
Number of share options outstanding	517,031
Term of option (years)	9.28
Assumed period of exercise after vesting (years)	4.00
Exercise price (£)	11.16
Risk-free rate (%)	1.50
Expected dividend yield (%)	8.43
Fair value per option (£)	9.89

NOTES TO THE ACCOUNTS CONTINUED

41 Share-based payments continued

Euromoney Capital Appreciation Plan 2010 (CAP 2010)

The CAP 2010 executive share option scheme was approved by Euromoney shareholders on 21 January 2010 as a direct replacement for CAP 2004. Each CAP 2010 award comprises two equal elements – an option to subscribe for Ordinary Shares of 0.25 pence each in Euromoney at an exercise price of 0.25 pence per Ordinary Share, and a right to receive a cash payment.

The award pool comprised 3,500,992 Euromoney Ordinary Shares with an option value of £15.0 million and cash of £15.0 million, limiting the total accounting cost to £30.0 million over its life.

The awards will vest in two equal tranches. The first tranche of awards became exercisable in February 2013 on satisfaction of the primary performance condition in 2012. The second tranche became exercisable in February 2014 in which the primary performance condition was again satisfied. The vesting of the second tranche is subject to an additional performance condition, applicable for the vesting of the second tranche of awards, requires the profits of each business in the subsequent vesting period be at least 75% of that achieved in the year the first tranche of awards became exerciseable. The options lapse to the extent unexercised by 30 September 2020.

The number of options received under the share award of CAP 2010 is reduced by the number of options vesting with participants from the 2010 Euromoney Share Option Plan.

The CAP 2010 options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise. The expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

	Year ending 30 September 2014 Number of share options	Year ending 30 September 2014 Weighted average exercise price £	Year ending 30 September 2013 Number of share options	Year ending 30 September 2013 Weighted average exercise price £	Year ending 30 September 2012 Number of share options	Year ending 30 September 2012 Weighted average exercise price £
Outstanding at 1 October 2013	**1,720,314**	**0.0025**	2,719,801	0.0025	2,719,801	0.0025
Granted during the year	**–**	**–**	440,630	0.0025	–	–
Forfeited during the year	**(43,267)**	**0.0025**	–	–	–	–
Exercised during the year	**(1,621,626)**	**0.0025**	(1,432,443)	0.0025	–	–
Expired during the year	**–**	**–**	(7,674)	0.0025	–	–
Outstanding at 30 September 2014	**55,421**	**0.0025**	1,720,314	0.0025	2,719,801	0.0025
Exercisable at 30 September 2014	**55,421**	**0.0025**	10,468	0.0025	–	–
Exercisable at 1 October 2013	**–**	**–**	–	–	–	–

The weighted average share price at the date of exercise for share options exercised during the year was £12.48 (2013 £9.39, 2012 n/a).

The options outstanding at 30 September 2014 had a weighted average exercise price of £0.0025 (2013 £0.0025, 2012 £0.0025) and a weighted average remaining contractual life of 6.0 years (2013 7.0 years, 2012 8.0 years).

The aggregate of the estimated fair values of the options granted during the year is £nil (2013 £nil, 2012 £nil).

The inputs into the Black-Scholes model are as follows:

Date of grant	30 March 2010
Market value of shares at date of grant (£)	5.01
Option price (p)	0.25
Number of share options outstanding	55,421
Term of option (years)	10.00
Assumed period of exercise after vesting (years)	5.00
Exercise price (p)	0.25
Risk-free rate (%)	2.75
Expected dividend yield (%)	7.00
Fair value per option (£)	4.20

Euromoney Share Option Plan (CSOP 2010)

In parallel with the CAP 2010, Euromoney's shareholders approved the CSOP 2010 at Euromoney's AGM on 21 January 2010. The CSOP 2010 was approved by HM Revenue and Customs on 21 June 2010 and granted on 28 June 2010. The CSOP 2010 option enabled each participant to purchase up to 4,972 shares in Euromoney at a price of £6.03 per share, the market value at the date of grant. Any CSOP options that did not fully vest in the first tranche of the CAP 2010 award vest at the same time as the second tranche of an individual's CAP award, but only where the CSOP 2010 is in the money. The CSOP 2010 has the same performance criteria as that of the CAP 2010.

The number of CSOP awards that vested proportionally reduced the number of shares that vested under the CAP 2010. The CSOP is effectively a delivery mechanism for part of the CAP 2010 award. The CSOP 2010 options have an exercise price of £6.03 which will be satisfied by a funding award mechanism which is in place and results in a net gain on these options being delivered in the equivalent number of shares to participants as if the same gain had been delivered using CAP 2010 options. The amount of the funding award will depend on Euromoney's share price at the date of exercise.

	Year ending 30 September 2014 Number of share options	Year ending 30 September 2014 Weighted average exercise price £	Year ending 30 September 2013 Number of share options	Year ending 30 September 2013 Weighted average exercise price £	Year ending 30 September 2012 Number of share options	Year ending 30 September 2012 Weighted average exercise price £
Outstanding at 1 October 2013	**24,048**	**6.03**	781,191	5.72	781,191	5.72
Granted/trued-up during the year	**–**	**–**	(223,243)	5.94	–	–
Exercised during the year	**(23,769)**	**6.03**	(531,268)	5.61	–	–
Expired during the year	**–**	**–**	(2,632)	6.03	–	–
Outstanding at 30 September 2014	**279**	**6.03**	24,048	6.03	781,191	5.72
Exercisable at 30 September 2014	**279**	**6.03**	–	–	–	–
Exercisable at 1 October 2013	**–**	**–**	–	–	–	–

The weighted average share price at the date of exercise for share options exercised during the year was £12.48 (2013 £9.74, 2012 n/a).

The options outstanding at 30 September 2014 had a weighted average exercise price of £6.03 (2013 £6.03, 2012 £5.72) and a weighted average remaining contractual life of 5.38 years (2013 6.38 years, 2012 7.38 years).

The aggregate of the estimated fair values of the options granted during the year is £nil (2013 £nil, 2012 £nil).

The inputs into the Black-Scholes model are as follows:

Date of grant	**28 June 2010**
Market value of shares at date of grant (£)	6.03
Option price (£)*	6.03
Number of share options outstanding	279
Term of option (years)	9.38
Assumed period of exercise after vesting (years)	3.00
Exercise price (£)	6.03
Risk-free rate (%)	2.28
Expected dividend yield (%)	7.00
Fair value per option (£)	4.37

The number of CSOP 2010 awards that vest proportionally reduce the number of shares that vest under the CAP 2010, the CSOP is effectively a delivery mechanism for part of the CAP 2010 award. The CSOP 2010 options have an exercise price of £6.03 (1), which will be satisfied by a funding award mechanism which results in the same net gain (2) on these options delivered in the equivalent number of shares to participants as if the same award had been delivered using £0.0025 CAP options. The amount of the funding award will depend on Euromoney's share price at the date of exercise. Because of the above and the other direct links between the CSOP 2010 and the CAP 2010, including the identical performance criteria, IFRS 2 combines the two plans and treats them as one plan (vesting in two tranches). As such, the long-term incentive expense recognised in the year for the CSOP 2010 and CAP 2010 options (including the charge in relation to the cash element) was a credit of £0.3 million (2013 £1.9 million, 2012 £8.1 million).

(1) Exercise price of Canadian CSOP is £5.01.

(2) Net gain on the CSOP options is the market price of Euromoney's shares at the date of exercise less the exercise price (£6.031) multiplied by the number of options exercised.

* Exercise price excludes the effect of the funding award.

Cash-settled options
Euromoney has liabilities in respect of three share option schemes that are classified by IFRS 2 payments as cash settled. These consist of the cash element of the CAP 2010 scheme, options held by employees over new equity shares in Internet Securities Inc., a subsidiary of Euromoney and, from 2011, options held by employees over equity shares in Structured Retail Products Limited (previously Arete Consulting Limited), a subsidiary of Euromoney. The total carrying value at 30 September 2014 included in the Statement of Financial Position is a liability of £0.1 million (2013 £7.4 million, 2012 £14.6 million). Of these schemes, options with an intrinsic value of £0.1 million (2013 £nil, 2012 £3,000) had vested but are not yet exercised.

NOTES TO THE ACCOUNTS
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41 Share-based payments continued

The Euromoney Capital Appreciation Plan 2004 (CAP 2004)

The CAP 2004 executive share option scheme was approved by shareholders on 1 February 2005. Each of the CAP awards comprises an option to subscribe for Ordinary Shares of 0.25 pence each in the Company for an exercise price of 0.25 pence per Ordinary Share. The awards become exercisable on satisfaction of certain performance conditions and lapse to the extent unexercised on 30 September 2014. The initial performance condition was achieved in the financial year 2007 and the option pool (a maximum of 7.5 million shares) was allocated between the holders of outstanding awards. One-third of the awards vested immediately. The primary performance target was achieved again in 2008 and, after applying the additional performance condition, 2,241,269 options from the second tranche of options vested in February 2009. The primary performance target was also achieved in 2009 and 1,527,152 options (including a true-up adjustment of 5,654) for the third (final) tranche of options in 2009 vested in February 2010. The additional performance condition was applied to profits for financial years 2010 to 2012 for those individual participants where the additional performance conditions for the second and final tranches had not previously been met and 303,321; 244,152 and 39,907 options vested in February 2011, 2012 and 2013 respectively. No further options will vest under this scheme and all outstanding options have been exercised.

CAP options were valued using a fair value model that adjusted the share price at the date of the grant for the net present value of expected future dividend streams up to the date of the expected exercise.

	Year ending 30 September 2014 Number of share options	Year ending 30 September 2014 Weighted average exercise price £	Year ending 30 September 2013 Number of share options	Year ending 30 September 2013 Weighted average exercise price £	Year ending 30 September 2012 Number of share options	Year ending 30 September 2012 Weighted average exercise price £
Outstanding at 1 October 2013	–	–	70,114	0.0025	351,828	0.0025
Granted/trued-up during the year	–	–	(14,693)	0.0025	–	0.0025
Exercised during the year	–	–	(55,421)	0.0025	(245,469)	0.0025
Expired during the year	–	–	–	–	(36,245)	0.0025
Outstanding at 30 September 2014	–	–	–	–	70,114	0.0025
Exercisable at 30 September 2014	–	–	–	–	70,114	0.0025
Exercisable at 1 October 2013	–	–	–	–	351,828	0.0025

The weighted average share price at the date of exercise for share options exercised during the year was £nil (2013 £9.28, 2012 £7.33).

The options outstanding at 30 September 2014 had a weighted average exercise price of £nil (2013 £nil, 2012 £0.0025) and a weighted average remaining contractual life of nil years (2013 nil years, 2012 2.0 years).

The aggregate of the estimated fair values of the options granted during the year is £nil (2013 £nil, 2012 £0.2 million).

42 Ultimate holding company

The Company's ultimate holding company and immediate parent company is Rothermere Continuation Limited, a company incorporated in Bermuda.

43 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and its joint ventures and associates are disclosed below.

The following transactions and arrangements are those which are considered to have had a material effect on the financial performance and position of the Group for the year.

Ultimate controlling party

The Company's ultimate controlling party is The Viscount Rothermere, the Company's Chairman. Transactions relating to the remuneration and shareholdings of The Viscount Rothermere are given in the Remuneration Report.

Transactions with Directors

There were no material transactions with Directors of the Company during the year, except for those relating to remuneration and shareholdings, disclosed in the Remuneration Report.

For the purposes of IAS 24, Related Party Disclosures, Executives below the level of the Company's Board are not regarded as related parties.

The remuneration of the Directors at the year end, who are the key management personnel of the Group, is set out in aggregate in the audited part of the Directors' Remuneration Report on page 53.

Transactions with joint ventures and associates
Details of the Group's principal joint ventures and associates are set out in Note 24.

Associated Newspapers Limited (ANL) has a 33.3% (2013 33.3%, 2012 33.3%) shareholding in Fortune Green Limited. During the year the Group received revenue for newsprint, computer and office services of £0.5 million (2013 £0.4 million, 2012 £0.6 million). The amount due from Fortune Green Limited at 30 September 2014 was £0.4 million (2013 £0.2 million, 2012 £0.2 million).

Daily Mail and General Holdings Limited (DMGH) has a 38.7% (2013 38.7%, 2012 nil%) shareholding in Local World, the media segment group formed in November 2012 which combined the Group's local media titles with those of Iliffe News and Media Limited. During the year the Group provided printing and newspaper services of £20.2 million (2013 £17.6 million, 2012 £nil) to Local World. Amounts paid over to Local World in respect of sales monies collected on their behalf and revenue shares due amounted to £57.9 million (2013 £42.9 million, 2012 £nil). During the year Local World were charged £0.4 million (2013 £0.9 million, 2012 £nil) by the Group for rent and service charges in relation to leasehold and investment properties. The net amount due to Local World from the Group at 30 September 2014 was £4.6 million (2013 £3.9 million, 2012 £nil). During the year, the Group received dividends of £6.1 million (2013 £nil, 2012 £nil) from Local World.

During the year, Landmark Information Group Limited (Landmark) charged management fees of £0.3 million (2013 £0.3 million, 2012 £0.3 million) to Point X Limited, a joint venture, and recharged costs of £0.1 million (2013 £0.1 million, 2012 £0.1 million). Point X Limited received royalty income from Landmark of £nil (2013 £0.1 million, 2012 £0.1 million) and the amount due from Landmark at 30 September 2014 was £nil (2013 £nil, 2012 £0.1 million).

Trepp LLC has a 50.0% (2013 50.0%, 2012 nil%) interest in TreppPort LLC, a joint venture. During the year, Trepp LLC and Rockport Group made cash contributions of £nil and £nil respectively (2013 £1.2 million and £0.2 million, 2012 £nil and £nil respectively) to TreppPort LLC. During the year, Trepp received £0.3 million (2013 £nil, 2012 £nil) of revenue from TreppPort and also paid TreppPort £0.3 million (2013 £nil, 2012 £nil) of costs. During the year, Trepp recharged TreppPort salary costs of £0.1 million (2013 £nil, 2012 £nil).

During the year, DMG Information Inc. made an investment of £nil (2013 £nil, 2012 £0.4 million) in Real Capital Analytics Inc., an associate.

During the year, DMGI Land and Property Europe Limited made an investment of £0.8 million (2013 £nil, 2012 £nil) for a 30% interest in Ochresoft Technologies Limited (OTL), an associate. During the year, OTL was provided with funding of £0.2 million (2013 £nil, 2012 £nil) by Landmark, a subsidiary undertaking. At 30 September 2014, £0.2 million (2013 £nil, 2012 £nil) was owed to Landmark.

Decision Insight Information Group (UK) Limited (DIIG) has a 50.0% interest in Decision First Limited (DF), a joint venture. During the year, DIIG recharged costs to DF amounting to £0.2 million (2013 £nil, 2012 £nil). At 30 September 2014, £0.2 million (2013 £nil, 2012 £nil) was owed by DF to DIIG.

During the year, On-Geo GmbH (On-Geo) made an investment of £0.01 million for a 50.0% (2013 £nil, 2012 £nil) interest in HypoPort, a joint venture. During the year. HypoPort made purchases from On-Geo amounting to £6.5 million (2013 £nil, 2012 £nil). At 30 September 2014, £1.2 million (2013 £nil, 2012 £nil) was owed by HypoPort to On-Geo.

During the year, On-Geo made an investment of £0.1 million for a 50.0% (2013 £nil, 2012 £nil) interest in Instant Service (IS), a joint venture. During the year, IS received revenues from On-Geo amounting to £6.9 million (2013 £nil, 2012 £nil), and was recharged costs from On-Geo amounting to £0.2 million (2013 £nil, 2012 £nil). At 30 September 2014, £1.2 million (2013 £nil, 2012 £nil) was owed by HypoPort to On-Geo.

RMS Inc. has a 29.6% (2013 29.6%, 2012 29.6%) interest in Praedicat, an associate. During the year, RMS Inc. made no further investment in Praedicat (2013 £0.8 million, 2012 £1.5 million).

ANL has a nil % shareholding (2013 nil %, 2012 100.0%) in Globrix Limited (Globrix) and a 50% shareholding (2013 50.0%, 2012 50.0%) in Artirix Limited (Artirix). During the year, Globrix recharged the Group £nil (2013 £nil, 2012 £0.5 million) for website development costs. The Group provided services totalling £nil (2013 £nil, 2012 £0.1 million) to Artirix, with £nil (2013 £nil, 2012 £nil) remaining due at 30 September 2014. At 30 September 2014 Globrix owed £nil to various Group companies (2013 £nil, 2012 £1.3 million), and £nil was due from Artirix (2013 £nil, 2012 £nil) to Globrix.

During the period, Artirix received revenues of £nil from Globrix (2013 £nil, 2012 £0.5 million). At 30 September 2014 Artirix owed £1.7 million to various Group companies (2013 £1.4 million, 2012 £1.3 million).

ANL had a 50.0% interest in Teletext Holdings Limited (Teletext). The Group provided services (under the Transitional Services Agreement) amounting to £nil (2013 £nil, 2012 £0.3 million) for the year, and £nil (2013 £nil, 2012 £0.1 million) was due from Teletext at 30 September 2014. VAT of £0.1 million (2013 £0.7 million, 2012 £0.5 million) was paid by DMG Media Limited on behalf of Teletext and £nil was due from Teletext at 30 September 2014 (2013 £nil, 2012 £nil).

Artirix provided staff and other services to Teletext totalling £nil (2013 £nil, 2012 £0.2 million), with £nil (2013 £nil, 2012 £0.1 million) remaining due from Teletext at 30 September 2014.

Proceeds on the sale of Teletext Ltd to Teletext Holdings Ltd of £nil are due to ANL as at 30 September 2014 (2013 £6.0 million, 2012 £6.0 million).

NOTES TO THE ACCOUNTS
CONTINUED

43 Related party transactions continued

Associated Newspapers Limited (ANL) has a 31.8% (2013 50.8%, 2012 52.3% investment in Zoopla Property Group Ltd) shareholding in Zoopla Property Group Plc (Zoopla). During the year, listing services amounting to £nil (2013 £0.2 million, 2012 £1.0 million) were provided by Zoopla Property Group Plc to ANL as part of a revenue share agreement, with £nil (2013 £nil, 2012 £0.2 million) remaining due to Zoopla Property Group Plc at 30 September 2014. Net services (under the Transitional Services Agreement) provided by ANL totalled £0.1 million (2013 £0.3 million, 2012 £0.2 million) for the year, £0.2 million (2013 £nil, 2012 £5.4 million) of other transactional payments were made by ANL on behalf of Zoopla Property Group Plc, with a balance of £nil (2013 £nil, 2012 £0.9 million) being due from Zoopla Property Group Plc at 30 September 2014.

During the year, the Group received dividends of £18.8 million (2013 £5.3 million, 2012 £nil) from Zoopla Property Group Plc.

DMGH has a 26.0% (held by AN Mauritius Limited 2013 26.0%, 2012 26.0%) interest in Mail Today Newspapers Pte Limited (India), an associate. During the year, additional share capital of £0.9 million (2013 £1.1 million, 2012 £2.3 million) was invested in Mail Today Newspapers Pte Limited (India).

ANL has a 34.7% (2013 34.7%, 2012 30.0%) interest in Social Metrix SA (Argentina), an associate. During the year, £nil (2013 £nil, 2012 £0.4 million) additional share capital was invested by A&N International Media Limited.

ANL has a 50.0% (2013 50.0%, 2012 50.0%) shareholding in Northprint Manchester Limited, a joint venture. The net amount due to ANL for £5.8 million (2013 £5.8 million, 2012 £5.8 million) has been fully provided.

Northcliffe Media Limited (NML) has a 25.0% (2013 25.0%, 2012 25.0%) shareholding in Extra Newspapers Limited, an associate to which it provided £nil (2013 £nil, 2012 £0.3 million) of funding during the year. At 30 September 2014, £0.3 million was owed to NML. This balance has been fully provided for.

ANL has a 50.0% (2013 nil%, 2012 nil%) interest in Daily Mail.com Australia Pty Limited (Mail Online Australia), a joint venture. During the year, ANL provided services amounting to £1.0 million (2013 £nil, 2012 £nil). At 30 September 2014, Mail Online Australia owed the Group £1.0 million (2013 £nil, 2012 £nil).

The Group received a dividend of £0.3 million (2013 £nil, 2012 £0.3 million) from Capital Net, an associate.

Other related party disclosures

ANL has a 12.5% (2013 12.5%, 2012 12.5%) share in the Newspaper Licensing Agency (NLA) from which royalty revenue of £3.0 million was received (2013 £3.3 million, 2012 £3.8 million) and £0.2 million receivable at the year end (2013 £0.2 million, 2012 £0.4 million). Commissions paid on this revenue totalled £0.5 million (2013 £0.6 million, 2012 £0.7 million). The amount due to the NLA at 30 September 2014 was £nil (2013 £nil, 2012 £0.1 million). Interest bearing loans of £0.4 million are due to ANL from NLA at 30 September 2014 (2013 £0.4 million, 2012 £0.4 million).

Northcliffe Media Holdings Limited (NMH) has a 25.0% (2013 25.0%, 2012 25.0%) share in Hold the Front Page.co.uk Limited to which it provides payroll services. The amount due from NMH to Hold the Front Page.co.uk Limited at 30 September 2014 was £nil (2013 £0.1 million, 2012 £nil).

DMGH has a 15.6% (2013 15.6%, 2012 15.6%) shareholding in The Press Association. During the year the Group received dividends of £9.3 million (2013 £1.7 million, 2012 £nil) and services amounting to £2.1 million (2013 £2.6 million, 2012 £3.8 million). The net amount due from the Press Association as at 30 September 2014 was £nil (2013 £0.1 million, 2012 £0.2 million).

The Group has accrued rent and service charges payable to the Harmsworth Pension Scheme amounting to £0.6 million (2013 £0.3 million, 2012 £nil) under an agreement to guarantee the income generated from certain property assets held by the Harmsworth Pension Scheme which were purchased from the Group during a prior period.

At 30 September 2014 the Group owed £1.1 million (2013 £0.9 million, 2012 £1.5 million) to the pension schemes which it operates. This amount comprised employees' and employer's contributions in respect of September 2014 payrolls which were paid to the pension schemes in October 2014.

The Group recharges its principal pension schemes with costs of investment management fees. The total amount recharged during the year was £nil (2013 £nil, 2012 £0.2 million).

Contributions made during the year to the Group's retirement benefit plans are set out in Note 34, along with details of the Group's future funding commitments.

In July 2012, the Group entered into a contingent asset partnership whereby a £150.0 million loan note, guaranteed by the Group, was used to commit £10.8 million funding per annum to the Harmsworth Pension Scheme. Interest payable to DMG Pension Partnership Limited Partnership in the year totalled £11.1 million (2013 £11.2 million, 2012 £2.8 million).

44 Post balance sheet events

Bond tender offer

On 22 September 2014 the Company announced its invitation to holders of its outstanding 2018 and 2021 bonds to tender their bonds for purchase by the Company for cash. On 30 September the Company announced the results of and cash price payable of validly tendered 2018 and 2021 bonds. The total cash price payable by the Company amounted to £193.1 million, including a premium of £39.9 million, which was paid on 1 October 2014. The derecognition of this financial liability and provision for premium payable has not been recorded in these financial statements since the financial liability was not extinguished until post year end as prescribed by IAS 39, Financial Instruments: Recognition and Measurement.

Own shares

In November 2014 the Company announced it will cancel 22.7 million shares held in treasury.

Acquisitions

In November 2014, Euromoney announced the acquisition of a 15.5% equity share capital in New Dealogic for £37.0 million (US$59.2 million). The investment will be funded through the sale of Euromoney's investment in Capital DATA Limited and Capital NET Limited for consideration of £53.1 million (US$85.0 million), settled by £37.0 million (US$59.2 million) of Ordinary Shares in New Dealogic, £2.9 million (US$4.6 million) in cash and £13.3 million (US$21.2 million) of zero-coupon redeemable preference shares in New Dealogic. The deal is expected to complete by the end of December 2014.

The Company announced that it has commenced, through Numis Securities Ltd, an irrevocable, non-discretionary programme to purchase shares on its own behalf, to be held in treasury, during its close period which commences on 1 October 2014 and ends on 26 November 2014 with the release of the Company's Preliminary Results. The maximum value of this close period buy-back programme was set at £20.0 million.

Disposals

In October 2014 dmg information announced completion of its disposal of Lewtan, a provider of analytical tools and data for the structured finance market, to Moody's Corporation. Lewtan's revenues were approximately £15.1 million (US$25 million) in the year to 30 September 2014. Disposal proceeds of £17.8 million (US$29.6 million) were received after deducting disposal costs.

Following the clearance from the Competition and Markets Authority in September 2014 and expiration of a four-week appeals period, dmg media's disposal of its remaining digital recruitment assets completed in October 2014. Proceeds of £92.1 million were received.

45 Subsidiaries exempt from audit

The following UK subsidiaries will take advantage of the newly available audit exemption set out within Section 479A of the Companies Act 2006 for the year ending 30 September 2014:

	Company registration number		Company registration number
CTF Asset Finance Limited	03178533	Broadbean Holdings Limited	03415808
DMG Asset Finance Limited	05528329	Interbase Limited	02894310
Harmsworth Royalties Limited	04219212	Jobsgroup.Net Limited	05523469
Kensington US Holdings Limited	06320636	Digital Response Network Services Limited	03778379
Daily Mail International Limited	01966438	Northcliffe Media Holdings Limited	00272225
DMG Atlantic Limited	04521108	Northcliffe Media Limited	03403993
DMG Investment Holdings Limited	03263138	Blackmore Vale Media Limited	00392494
DMG Business Media Limited	02823743	Courier Media Group Limited	00101944
DMG Charles Limited	04211684	Leicester Mercury Media Group Limited	00226937
DMG Minor Investments Limited	04228751	The Western Gazette Co Limited	00022796
DMGRH Finance Limited	03191181	South West Media Group Limited	00210591
Kensington Finance Limited	03960683	Herald Express News and Media Limited	02642788
Derry Street Investments Limited	04485760	Gloucester Media Limited	00163659
Ralph US Holdings Limited	06341444	Bath News and Media	03215208
Young Street Holdings Limited	04485808	Admag Newspapers Limited	01599454
Teletext Holidays Limited	02336018	DMG Information Limited	03708142
Associated London Distribution Limited	03961514	DMG Events Limited	01150306
The Appointment Limited	03257727	DMG Events International Limited	04118004
A&N International Media Limited	04147978	DMG Angex Limited	02302189
Derby Telegraph Limited	00218661	Euromoney Canada Limited	01974125
Harmsworth Printing (Stoke) Limited	04148861	Euromoney Charles Limited	04082590
Alderton Limited	02774204	Euromoney Institutional Investor (Ventures) Limited	05885797
Express and Echo News and Media Limited	00070992	Euromoney Partnership LLP	0C363064
Central Independent News and Media Limited	03015855	Fantfoot Limited	05503274
South West Wales Media Limited	00120013	Internet Securities Limited	02976791
Lincolnshire Media Limited	00037928	Redquince Limited	05994621
Grimsby and Scunthorpe Media Group Limited	02642787	Steel First Limited	04002471

NOTES TO THE ACCOUNTS
CONTINUED

45 Subsidiaries exempt from audit continued

Principal subsidiary	Activity
Central activities	
Daily Mail and General Holdings Limited*	Holding company
RMS	
Risk Management Solutions, Inc (98.0%)	Provider of risk management information on natural and other related perils
(Incorporated and operating in the US)	
dmg information	
DMG Information, Inc	Holding company
(Incorporated in the US)	
Environmental Data Resources, Inc	Provider of geographic based real estate information services
(Incorporated and operating in the US)	
Landmark Information Group Limited	Provider of property and mapping information
Hobsons Australia Pty Ltd	Careers and education information publishing and services
(Incorporated and operating in Australia)	
Hobsons, Inc	Careers and education information publishing and services
(Incorporated and operating in the US)	
Genscape, Inc. (99.9%)	Provider of real time power supply and other energy information
(Incorporated and operating in the US)	
Lewtan Technologies, Inc	Provider of asset-backed securities information
(Incorporated and operating in the US)	
Trepp, LLC	Provider of commercial mortgage-backed securities and real estate information
(Incorporated and operating in the US)	
Xceligent, Inc	Provider of commercial real estate research
(Incorporated and operating in the US)	
dmg events	
dmg events (UK) Limited	Trade publishing and exhibition management
dmg world media Abu Dhabi Ltd	Organisers of trade exhibitions and events
(Incorporated in Jersey, managed and operating in Abu Dhabi)	
Ad:Tech Expositions LLC	Organisers of trade exhibitions and events
(Incorporated and operating in the US)	
DMG World Media Dubai (2006) Limited	Organisers of trade exhibitions and events
(Incorporated in Jersey; managed and operating in Dubai)	
Euromoney	
Euromoney Institutional Investor PLC (68.6%)	Publishing, training and events
BCA Research, Inc (68.6%)	Information Services
(Incorporated and operating in Canada)	
EIMN LLC (68.6%)	Conferences
(Incorporated and operating in the US)	
Institutional Investor, Inc (68.6%)	Publishing
(Incorporated and operating in the US)	
Internet Securities, LLC (68.6%)	Information Services
(Incorporated and operating in the US)	
Metal Bulletin Limited (68.6%)	Publishing and event management
dmg media	
Associated Newspapers Limited	Publication of Daily Mail, The Mail on Sunday, Metro and MailOnline
Evenbase Recruitment Holdings Limited	Internet job search company
Wowcher Limited	Internet daily deals company

The Company has taken advantage of the exemption under Section 410(2) of the Companies Act 2006 by providing information only in relation to subsidiary undertakings whose results or financial position, in the opinion of the Directors, principally affected the financial statements.

(i) Unless stated otherwise the whole of the Ordinary share capital of subsidiary undertakings is held directly by Daily Mail and General Trust plc (where marked*) or indirectly by one of the Company's subsidiaries.

(ii) All subsidiaries, except where indicated, operate principally within the United Kingdom.

(iii) All principal subsidiaries have been included in the Group accounts.

FIVE YEAR FINANCIAL SUMMARY

	2010 Audited 52 weeks ending 30 September 2010 Restated £m	2011 Audited 52 weeks ending 30 September 2011 Restated £m	2012 Audited 52 weeks ending 30 September 2012 Restated £m	2013 Audited 52 weeks ending 30 September 2013 Restated £m	2014 Audited 52 weeks ending 30 September 2014 £m
Revenue	1,669.3	1,709.0	1,688.0	1,674.2	**1,811.2**
Operating profit before exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations and impairment of property, plant and equipment and investment property	266.7	259.2	263.0	280.3	**296.2**
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property and amortisation and impairment of goodwill and acquired intangible assets arising on business combinations	(52.1)	(91.4)	(127.4)	(66.8)	**(112.2)**
Operating profit before share of results from joint ventures and associates	214.6	167.8	135.6	213.5	**184.0**
Share of results of joint ventures and associates	(5.2)	(2.7)	(1.8)	5.3	**14.3**
Total operating profit	209.4	165.1	133.8	218.8	**198.3**
Other gains and losses	0.4	13.1	114.4	27.6	**138.9**
Profit before net finance costs and tax	209.8	178.2	248.2	246.4	**337.2**
Net finance costs	(98.5)	(79.7)	(76.8)	(67.9)	**(70.2)**
Profit before tax	111.3	98.5	171.4	178.5	**267.0**
Tax	48.1	10.9	26.1	(34.2)	**(18.3)**
Profit for the year after tax	159.4	109.4	197.5	144.3	**248.7**
Discontinued operations	41.6	(4.4)	59.8	43.7	**34.3**
Equity interests of minority shareholders	(19.2)	(15.9)	(22.7)	(23.4)	**(20.1)**
Profit for the year	181.8	89.1	234.6	164.6	**262.9**
Adjusted profit before tax and non-controlling interests	229.9	219.8	246.9	266.6	**291.1**
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	371.3	355.1	378.3	374.4	**391.1**
Adjusted profit after taxation and non-controlling interests	177.8	166.8	181.5	188.2	**207.4**
Number of shares for basic	383.0	382.8	382.8	377.5	**372.4**
Number of shares for diluted	379.2	387.8	393.7	386.8	**378.2**
Profit effect of dilutive shares	0.0	(1.0)	(0.6)	(0.3)	**(0.7)**
From continuing operations					
Basic	36.6	24.4	45.7	32.1	**61.4**
Diluted	37.0	23.9	44.2	31.2	**60.2**
From discontinued operations					
Basic	10.8	(1.2)	15.6	11.5	**9.2**
Diluted	10.9	(1.1)	15.2	11.3	**9.1**
From continuing and discontinued operations					
Basic	47.4	23.2	61.3	43.6	**70.6**
Diluted	47.9	22.8	59.4	42.5	**69.3**
Adjusted earnings per share					
Basic	46.4	43.6	47.4	49.9	**55.7**
Diluted	46.9	42.8	45.9	48.5	**54.6**

FIVE YEAR FINANCIAL SUMMARY
CONTINUED

Consolidated Cash Flow Statement

	2010 £m	2011 £m	2012 £m	2013 £m	2014 £m
Net cash inflow from operating activities	334.4	318.6	254.0	347.2	**218.4**
Investing activities	2.1	(33.5)	(12.1)	(87.7)	**26.0**
Financing activities	(319.8)	(177.7)	(304.7)	(277.5)	**(302.7)**
Net (decrease)/increase in cash and cash equivalents	16.7	107.4	(62.8)	(18.0)	**(58.3)**
Cash and cash equivalents at beginning of year	46.9	64.3	171.7	107.3	**88.5**
Exchange (loss)/gain on cash and cash equivalents	0.7	–	(1.6)	(0.8)	**(1.2)**
Cash and cash equivalents at end of year	64.3	171.7	107.3	88.5	**29.0**
Net (decrease)/increase in cash and cash equivalents	16.7	107.4	(62.8)	(18.0)	**(58.3)**
Cash outflow from change in debt and finance leases	174.2	1.9	126.2	17.8	**31.3**
Change in net debt from cash flows	190.9	109.3	63.4	(0.2)	**(27.0)**
Loan notes issued and loans arising from acquisitions	(1.0)	–	–	–	**(3.0)**
Other non-cash items	(3.3)	33.1	43.2	40.2	**0.2**
(Increase)/decrease in net debt in the year	186.6	142.4	106.6	40.0	**(29.8)**
Net debt at beginning of year	(1,048.6)	(862.0)	(719.6)	(613.0)	**(573.0)**
Net debt at end of year	(862.0)	(719.6)	(613.0)	(573.0)	**(602.8)**

Consolidated Statement of Financial Position

	2010 Restated £m	2011 Restated £m	2012 Restated £m	2013 Restated £m	2014 £m
Goodwill and intangible assets	1,113.7	1,034.8	968.5	1,056.8	**1,125.3**
Tangible assets	377.8	327.0	244.9	214.0	**202.0**
Fixed asset investments	56.3	33.5	150.3	188.3	**145.9**
Other non-current assets	174.1	239.9	243.9	203.3	**213.6**
Fixed assets	1,721.9	1,635.2	1,607.6	1,662.4	**1,686.8**
Net current liabilities	(315.7)	(238.7)	(268.0)	(338.9)	**(511.1)**
Long-term liabilities	(1,269.0)	(1,289.0)	(1,087.9)	(986.8)	**(785.1)**
Net assets	137.2	107.5	251.7	336.7	**390.6**
Shareholders' equity					
Called-up share capital	49.1	49.1	49.1	49.2	**49.2**
Share premium account	12.5	12.7	13.5	16.3	**17.8**
Revaluation reserve	7.0	3.3	–	–	**–**
Other reserves	(60.2)	(87.7)	(75.3)	(152.5)	**(240.7)**
Minority interests	57.4	80.3	95.3	113.6	**117.8**
Retained earnings	71.4	49.8	169.1	310.1	**446.5**
Total equity	137.2	107.5	251.7	336.7	**390.6**

Shareholder information

	2010	2011	2012	2013	2014
Dividend per share *	16.00p	17.00p	18.00p	19.20p	**20.40p**
Price of A Ordinary Non-Voting Shares:					
Lowest	£3.90	£3.47	£3.48	£4.51	**£6.99**
Highest	£5.33	£5.95	£4.97	£8.35	**£10.74**

* Represents the dividends declared by the Directors in respect of the above years.

COMPANY BALANCE SHEET

As at 30 September 2014

	Note	At 30 September 2014 £m	At 30 September 2013 £m
FIXED ASSETS			
Investments:			
Group undertakings	4	**2,825.9**	2,825.8
Other investments	5	**0.3**	–
		2,826.2	2,825.8
NON-CURRENT ASSETS			
Debtors – amounts falling due after more than one year	6	**18.7**	20.5
CURRENT ASSETS			
Debtors – amounts falling due within one year	6	**308.7**	26.1
Cash at bank and in hand	7	**6.5**	46.9
Deferred tax assets	11	**5.3**	5.1
CREDITORS			
Amounts falling due within one year	8	**(745.7)**	(362.4)
Net current liabilities		**(425.2)**	(284.3)
Total assets less current liabilities		**2,419.7**	2,562.0
CREDITORS			
Amounts falling due after more than one year	9	**(489.0)**	(698.2)
Provisions for liabilities	10	**(20.5)**	(0.5)
NET ASSETS		**1,910.2**	1,863.3
CAPITAL AND RESERVES			
Called-up share capital		**49.2**	49.2
Share premium account	12	**17.8**	16.2
Own shares	12	**(204.4)**	(116.5)
Capital redemption reserve	13	**1.1**	1.1
Profit and loss account	14	**2,046.5**	1,913.3
EQUITY SHAREHOLDERS' FUNDS		**1,910.2**	1,863.3

The accounts on pages 173 to 179 were approved by the Directors and authorised for issue on 9 December 2014. They were signed on their behalf by:

The Viscount Rothermere
M W H Morgan
Directors

NOTES TO THE COMPANY BALANCE SHEET – UK GAAP

1 Basis of preparation

The separate financial statements of the Company are prepared under the historical cost convention, modified to include the revaluation to fair value of certain financial instruments as described below, in accordance with the Companies Act 2006 and UK Generally Accepted Accounting Principles (UK GAAP). The following paragraphs describe the main accounting policies under UK GAAP, which have been applied consistently in both the current and prior year.

Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account for the Company has not been included in these accounts. The Company's profit after tax for the year, calculated on a UK GAAP basis, was £194.3 million (2013 £1,202.7 million, 2012 £236.3 million).

Impact of amendments to accounting standards

In the current year certain minor amendments to UK financial reporting standards were issued by the UK Accounting Standards Board. The adoption of these amendments has not had any impact on the Company's accounting policies.

2 Significant accounting policies

Foreign exchange

Transactions in currencies other than the Company's reporting currency are recorded at the exchange rate prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit and loss account for the year.

Investments

Investments are stated at cost, less any provision for impairment, where appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is not discounted.

Financial instruments disclosures

Financial assets

Trade debtors do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, short-term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade creditors

Trade creditors are non interest bearing and are stated at their nominal value.

Capital market and bank borrowings
Interest bearing loans and overdrafts are initially measured at fair value (which is equal to net proceeds at inception), and are subsequently measured at amortised cost, using the effective interest rate method. A portion of the Company's bonds are subject to fair value hedge accounting and this portion of the carrying value is adjusted for the movement in the hedged risk to the extent hedge effectiveness is achieved. Any difference between the proceeds, net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously.

Derivative financial instruments and hedge accounting
The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses various derivative financial instruments to manage its exposure to these risks.

The use of financial derivatives is set out on pages 137 to 139 of the Group's Annual Report. The Company does not use derivative financial instruments for speculative purposes.

The Company does not apply hedge accounting except for fair value hedges. Gains and losses arising on derivatives that form part of net investment hedge or cash flow hedge relationships in the consolidated financial statements are recorded in the profit and loss account in the Company.

Financial instruments – disclosures
The Company has taken advantage of the exemption provided in FRS 29, Financial Instruments: Disclosures which states that disclosure in respect of financial instruments is not required in parent company financial statements where such disclosures are included in publicly available consolidated financial statements.

Cash flow statement
The Company has utilised the exemptions provided under FRS 1 (Revised), Cash Flow Statements and has not presented a cash flow statement. A Consolidated Cash Flow Statement has been presented in the Group's Annual Report.

Related party transactions
The Company has taken advantage of the exemptions of FRS 8 which states that disclosure of related party transactions is not required in the parent company financial statements when those statements are presented together with its consolidated financial statements.

Share-based payments
The Company operates the Group's LTIP and other Group share-based payment schemes, details of which can be found in Note 41 of the Group's Annual Report.

Retirement benefits
The Company contributes to defined benefit and defined contribution pension schemes on behalf of its employees. These are managed on a Group basis and so the Company is unable to identify its share of the underlying assets and liabilities in the defined benefit scheme in which it participates on a consistent and reasonable basis. The scheme is operated on an aggregate basis with no segregation of the assets to individual participating employers and, therefore, the same contribution rate is charged to all participating employers; the contribution rate charged to each employer being affected by the experience of the scheme as a whole. The scheme is therefore accounted for as a defined contribution scheme by the Company. This means that the pension charge reported in these financial statements is the same as the cash contributions due in the period.

Details of the financial position and key valuation assumptions of these schemes can be found in Note 34 of the Group's Annual Report.

NOTES TO THE COMPANY BALANCE SHEET – UK GAAP CONTINUED

3 Employees

	2014 Number	2013 Number
Average number of persons employed by the Company including Directors:	**19**	25

	2014 £m	2013 £m
Total staff costs comprised:		
Wages and salaries	**9.7**	6.0
Share-based payments	**1.5**	2.8
Social security costs	**1.6**	0.4
Pension costs	**0.1**	0.1
	12.9	9.3

The remuneration of the Directors of the Company during the year are disclosed in the Remuneration Report on page 53 of the Group's Annual Report.

4 Investments in Group undertakings (principal subsidiaries listed on page 170)

	Cost £m	Provision £m	Net book value £m
At 30 September 2013	2,825.8	–	2,825.8
Additions	0.1	–	0.1
At 30 September 2014	**2,825.9**	**–**	**2,825.9**

5 Other investments

	Cost £m	Provision £m	Net book value £m
At 30 September 2013	–	–	–
Additions	0.3		0.3
At 30 September 2014	**0.3**	**–**	**0.3**

6 Debtors

	2014 £m	2013 £m
Amounts falling due within one year		
Amounts owed by Group undertakings	**283.4**	13.1
Prepayments and accrued income	**–**	0.1
Other debtors	**4.3**	0.1
Corporation tax	**21.0**	12.8
	308.7	26.1

The Company's corporation tax debtor represents amounts due from subsidiaries for Group relief.

	2014 £m	2013 £m
Amounts falling due after more than one year		
Derivative financial assets	**18.7**	20.5
	18.7	20.5

7 Cash and cash equivalents

	2014 £m	2013 £m
Cash and cash equivalents	**6.5**	46.9

8 Creditors – amounts falling due within one year

	Note	2014 £m	2013 £m
5.75% Bonds 2018		**55.1**	–
10.00% Bonds 2021		**98.1**	–
Bank overdrafts		**1.7**	1.4
Loan notes		**–**	0.8
Interest payable		**21.7**	26.7
Amounts owing to Group undertakings	(i)	**555.2**	325.0
Accruals and deferred income		**12.2**	8.5
Other creditors		**1.7**	–
		745.7	362.4

(i) Amounts owing to Group undertakings are repayable on demand and bear interest of UK bank base rate plus 0.5%.

Following the year end the Company bought back £56.5 million notional of its 2018 bonds and £92.8 million notional of its 2021 bonds incurring a premium of £39.9 million.

9 Creditors – amounts falling due after more than one year

	2014 £m	2013 £m
5.75% Bonds 2018	**209.3**	309.2
10.00% Bonds 2021	**10.3**	169.2
6.375% Bonds 2027	**196.0**	195.9
Bank loans	**59.9**	–
Derivative financial liabilities	**13.5**	23.9
	489.0	698.2

The nominal values of the bonds are as follows:

	2014 £m	2013 £m
5.75% Bonds 2018	**275.0**	324.7
10.00% Bonds 2021	**100.0**	156.4
6.375% Bonds 2027	**200.0**	200.0
	575.0	681.1

In December 2013 the Company bought back £49.7 million notional of its 2018 bonds and £149.2 million notional of its 2021 bonds incurring a premium of £24.4 million.

The Company's bonds have been adjusted from their nominal values to take account of the premia, direct issue costs, discounts and movements in hedged risks. The issue costs, premia and discounts are being amortised over the expected lives of the bonds using the effective interest method. The unamortised issue costs amount to £2.3 million (2013 £3.1 million, 2012 £3.5 million) and the unamortised premia amounts to £7.1 million (2013 £7.7 million, 2012 £9.2 million).

Details of the fair value of the Company's bonds are set out in Note 32 of the Group's Annual Report.

The bonds are subject to fair value hedging using derivatives as set out in Note 33 of the Group's Annual Report. Consequently, their carrying value is also adjusted to take into account the effects of this hedging activity.

The book value of the Company's other borrowings equates to fair value.

The interest rate charged on the Company's borrowings during the year ranged as follows:

	2014 High	2014 Low	2013 High	2013 Low
Sterling	**2.33%**	**1.40%**	2.35%	1.77%
US dollar	**1.97%**	**1.04%**	1.93%	1.42%

NOTES TO THE COMPANY BALANCE SHEET – UK GAAP CONTINUED

9 Creditors – amounts falling due after more than one year continued

The maturity profile of the Company's borrowings is as follows:

	Overdrafts £m	Bank loans £m	Bonds £m	Loan notes £m	Total £m
2014					
Within one year	**1.7**	**–**	**153.2**	**–**	**154.9**
Between two and five years	**–**	**59.9**	**209.3**	**–**	**269.2**
Over five years	**–**	**–**	**206.3**	**–**	**206.3**
	–	**59.9**	**415.6**	**–**	**475.5**
	1.7	**59.9**	**568.8**	**–**	**630.4**
2013					
Within one year	1.4	–	–	0.8	2.2
Over five years	–	–	674.3	–	674.3
	–	–	674.3	–	674.3
	1.4	–	674.3	0.8	676.5

10 Provisions for liabilities

	Note	2014 £m	2013 £m
Other provisions		**20.5**	0.5
		20.5	0.5
Movements on other provisions were as follows:			
At 30 September 2013		**0.5**	0.5
Additions	(i)	**20.0**	–
At 30 September 2014		**20.5**	0.5

(i) The Company announced that it has commenced, through Numis Securities Ltd, an irrevocable, non-discretionary programme to purchase shares on its own behalf, to be held in treasury, during its close period which commenced on 1 October 2014 and ended on 26 November 2014 with the release of the Company's Preliminary Results. The maximum value of this close period buy-back programme was set at £20.0 million.

11 Deferred taxation

	2014 £m	2013 £m
Other timing differences	**5.3**	5.1

Movements on the deferred taxation asset were as follows:

	2014 £m	2013 £m
At start of year	**5.1**	3.1
Share-based payments	**0.1**	1.5
Tax credit for the year	**0.1**	0.5
At end of year	**5.3**	5.1

In the opinion of the Directors it is more likely than not that the Company will be able to recover the deferred tax asset against suitable future taxable profits generated by its subsidiary undertakings.

12 Reserves

Share premium account

	2014 £m	2013 £m
At start of year	**16.2**	13.4
Issue of shares	**1.6**	2.8
At end of year	**17.8**	16.2

Own shares

	2014 £m	2013 £m
At start of year	**(116.5)**	(43.8)
Additions	**(91.3)**	(94.6)
Own shares released on vesting of share options	**23.4**	21.9
Financial liability for closed period purchases	**(20.0)**	–
At end of year	**(204.4)**	(116.5)

The Company's investment in its own shares are shares held in treasury or shares held by an employee benefit trust to satisfy incentive schemes. At 30 September 2014, this investment comprised the cost of 25,082,829 A Ordinary Non-Voting Shares (2013 20,412,954 shares, 2012 10,188,174 shares) held in treasury and 2,196,080 A Ordinary Non-Voting Shares (2013 nil, 2012 nil) held in the employee benefit trust. The market value of the Treasury Shares at 30 September 2014 was £192.1 million (2013 £155.5 million, 2012 £49.1 million) and the market value of the shares held in the employee benefit trust at 30 September 2014 was £16.8 million (2013 £nil, 2012 £nil).

The employee benefit trust is independently managed and has purchased shares in order to satisfy outstanding share options and potential awards under the long-term incentive plan.

The Treasury Shares are considered to be a realised loss for the purposes of calculating distributable reserves.

13 Capital redemption reserve

	£m
At start and end of year	1.1

14 Profit and loss account

	£m
At start of year	1,913.3
Net profit for the year	194.3
Dividends paid	(72.8)
Expenses incurred in relation to scheme of arrangement	0.2
Other movements on share option schemes	11.5
At end of year	**2,046.5**
Total reserves – 2013	1,814.1
Total reserves – 2014	**1,861.0**

The Company estimates that £1,422.0 million of the Company's profit and loss account reserve is not distributable (2013 £1,305.5 million, 2012 £583.6 million).

15 Contingent liabilities

At 30 September 2014 the Company had guaranteed subsidiaries' outstanding derivatives which had a mark to market liability valuation of £1.4 million (2013 asset £18.7 million, 2012 asset £7.2 million) and letters of credit with a principal value of £1.8 million (2013 £1.2 million, 2012 £2.4 million). The Company is the guarantor of a loan note amounting to £150.0 million (2013 £150.0 million, 2012 £150.0 million) in respect of the contingent asset partnership referred to in Note 34 of the Group's Annual Report.

16 Controlling Party

The Company's ultimate controlling party is The Viscount Rothermere, the Company's Chairman. Transactions relating to the remuneration and shareholdings of The Viscount Rothermere are given in the Remuneration Report.

17 Post balance sheet events

Details of the Company's post balance sheet events can be found within Note 44 of the Group's Annual Report.

SHAREHOLDER INFORMATION

Company Secretary and Registered Office

Claire Chapman
Northcliffe House
2 Derry Street
London
W8 5TT
Telephone: +44 (0)20 7938 6000
E-mail: enquiries@dmgt.com
England Registered Number: 184594

Website

The Group has a website (www.dmgt.com) which gives information on the Company and its operating subsidiaries and provides details of significant Group announcements.

Financial calendar 2015

4 February	Trading update
4 February	Annual General Meeting
6 February	Payment of final dividend
26 March	Half year pre close trading update
31 March	Payment of interest on loan notes
31 March	Half year end
21 May	Half yearly financial report released
4 June	Interim ex-dividend date
5 June	Interim record date
3 July	Payment of interim dividend
23 July	Trading update
24 September	Full year pre close trading update
30 September	Year End
30 September	Payment of interest on loan notes
25 November	Preliminary announcement of annual results
3 December	Ex-dividend date
4 December	Record date

Capital gains tax

The market value of both the Ordinary and A Ordinary Non-Voting Shares (A Shares) in the Company on 31 March 1982 (adjusted for the 1994 bonus issue of A Shares and for the four-for-one share split in 2000) was 9.75 pence.

Registrars

All enquiries regarding shareholdings, dividends, lost share certificates, loan notes in the Company and in Daily Mail and General Investments plc or changes of address should be directed to Equiniti, the Company's Registrars, at the address set out on the following page.

Electronic communications

Equiniti operates Shareview, a free online service which enables shareholders to check their shareholdings and other related information and to register to receive notification by email of the release of the Annual Report. It also offers practical help on matters such as transferring shares or updating contact details. Shareholders may register for the service at www.shareview.co.uk. This Report is available electronically on the Company's website which contains a link to Shareview to enable shareholders to register for electronic mailings. Notification by email has been given of the availability of this Annual Report on the Company's website to those shareholders who have registered.

Low-cost share dealing service

Equiniti provides a simple low-cost dealing service for the Company's A Shares, details of which are available at www.shareview.co.uk/dealing or by calling 08456 037 037. Details of this and other low-cost dealing services can be found on the Company's website at www.dmgt.com.

Share price information

The current price of the Company's A Shares can be found on the homepage of the Company's website at www.dmgt.com.

Eurobond paying agent

The principal paying agent for the Company's 10% Bonds due 2021 and the 6.375% Bonds due 2027 is Deutsche Bank AG London, Winchester House, 1 Great Winchester St, London EC2N 2DB. The principal paying agent for the Company's 5.75% Bonds due 2018 is HSBC Bank plc, Corporate Trust and Loan Agency, 8 Canada Square, London E14 5HQ. Enquiries should be directed to John Donegan, Group Financial Controller, who can be contacted on +44 (0)20 3615 2917, and whose email address is john.donegan@dmgt.com.

CREST

Shareholders have the choice either of holding their shares in electronic form in an account on the CREST system or in the physical form of share certificates.

Investor relations

Investor relations are the responsibility of Adam Webster. The investor relations email address is investor.relations@dmgt.com.

ShareGift

In the UK, DMGT supports ShareGift, which is administered by the Orr Mackintosh Foundation (registered charity number 1052686) and which operates a charity share donation scheme for shareholders wishing to give small holdings of shares to benefit charitable causes. It may be especially useful for those who wish to dispose of a small parcel of shares which would cost more to sell than they are worth. There are no capital gains tax implications (i.e. no gain or loss) on gifts of shares to charity and it is also possible to obtain income tax relief. If you would like to use ShareGift or receive more information about the scheme, they can be contacted by visiting their website at www.sharegift.org or by writing to ShareGift, 17 Carlton House Terrace, London SW1Y 5AH.

Shareholdings at 30 September 2014

Ordinary Shares

Balance ranges	Total number of holdings	Percentage of holders	Total number of shares	Percentage issued capital
1–1,000	0	0.00%	0	0.00%
1,001–5,000	0	0.00%	0	0.00%
5,001–10,000	0	0.00%	0	0.00%
10,001–20,000	0	0.00%	0	0.00%
20,001–50,000	0	0.00%	0	0.00%
50,001–100,000	0	0.00%	0	0.00%
100,001–500,000	0	0.00%	0	0.00%
500,001 and over	3	100.00%	19,890,364	100.00%
Totals	**3**	**100.00%**	**19,890,364**	**100.00%**

A Shares

Balance ranges	Total number of holdings	Percentage of holders	Total number of shares	Percentage issued capital
1–1,000	984	42.54%	371,341	0.10%
1,001–5,000	599	25.90%	1,488,911	0.40%
5,001–10,000	234	10.12%	1,732,925	0.46%
10,001–20,000	150	6.49%	2,111,419	0.56%
20,001–50,000	104	4.50%	3,217,833	0.86%
50,001–100,000	51	2.20%	3,525,097	0.94%
100,001–500,000	116	5.02%	25,046,027	6.70%
500,001 and over	75	3.24%	336,473,004	89.97%
Totals	**2,313**	**100.00%**	**373,966,557**	**100.00%**

Advisers

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ
Telephone: +44 (0)20 7888 8888

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT
Telephone: +44 (0)20 7260 1000

Auditor

Deloitte LLP
2 New Street Square
London EC4A 3BZ
Telephone: +44 (0)20 7936 3000

Registrars

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone: +44 (0)871 384 2302

Corporate brochure and video
Take a look at our corporate brochure and video for more about DMGT and a snapshot of our core strategic messages and key success stories from around our business.
www.dmgt.com

Find out more at www.dmgt.com
Visit www.dmgt.com to see what is happening across our business and the marketplaces in which we operate.

Contact Details
DMGT HQ
Northcliffe House
2 Derry Street
London W8 5TT
UK

Tel +44 (0)20 7938 6000
enquiries@dmgt.com
www.dmgt.com

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