DMGT

Daily Mail and General Trust plc
Annual Report
30 September 2013

User Guide

Annual Report 2013
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LINKS
Dynamic links within the text are indicated when the user rolls over hyperlinks and the mouse cursor changes to a pointed hand as below.

Financial Highlights

Revenue#

2013
£1,802m

2012
£1,960m

Adjusted operating profit#*

2013
£300m

2012
£300m

Adjusted profit before tax#*

2013
£282m

2012
£255m

Statutory profit before tax†

2013
£203m

2012
£203m

Adjusted earnings per share#*

2013
53.0p

2012
49.4p

Dividend per share

2013
19.2p

2012
18.0p

Business Highlights

Digital share of revenues#

2013
42%

2012
35%

International share of revenues#

2013
42%

2012
37%

Profit split by B2B and Consumer#*

2013
B2B 77% Consumer 23%

2012
B2B 73% Consumer 27%

Subscriptions share of total revenues#

2013
29%

2012
25%

Operating margin#*

2013
17%

2012
15%

Operating profit per employee*

2013
£31k

2012
£28k

* Before exceptional items, other gains and losses, impairment and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 74 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 Northcliffe Media and dmg radio Australia joint venture).

Introduction

DMGT is an international portfolio of information, media and events businesses. The common thread that unites us is providing our customers with live, relevant and vital information more easily.

DMGT businesses are increasingly digital. Our customers operate within a rapidly increasing global footprint. DMGT is in a unique position to offer valued data across multiple and complex disciplines.

DMGT's management style – open, accessible, ethical and entrepreneurial – encourages the achievement of challenging goals.

DMGT has delivered another year of strong performance, consolidating our position as a majority B2B, increasingly digital and international Group.

Overview

DMGT at a glance

DMGT is an international portfolio of digital, information, media and events businesses. The common thread that unites our businesses is providing our customers with live, relevant and vital information.

Our Business Model

What we do

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 and insight, information, news and entertainment.

How we work

We create the environment for diverse strengths to flourish:

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

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

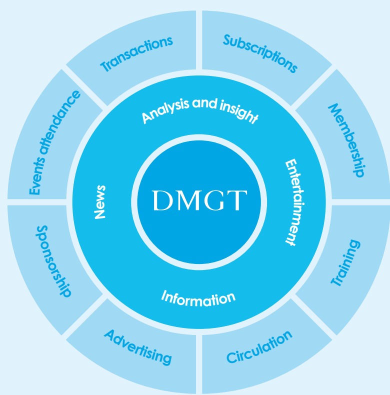
Devolved and diversified group structure which gives our businesses freedom within a framework and ensures that they remain close to their customers.

Family ownership which ensures that the Company continually adapts and innovates for the long term.

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

How we create value

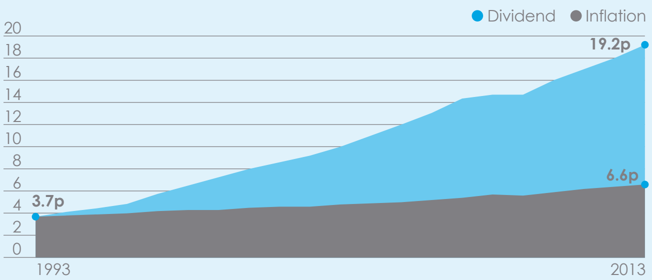
The quality of our content is critical in driving DMGT's diverse range of revenue streams.



Why do shareholders want to invest in us?

- Good organic growth opportunities
- Highly cash generative
- Reinvestment of strong cash flow and active portfolio management to drive sustainable earnings growth
- Track record of real dividend growth

Dividend chart



Diversified portfolio of market leading companies

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.

Revenues	Operating Margin
£175m	32%
2012 | £163m	2012 | 34%
Employees	**Operating profit**
1,197	£57m
2012 | 1,064	2012 | £56m

Growth highlights
Development of RMS(one) – 2014 launch

dmg::information

A global provider of business -to-business (B2B) information and analysis for the property, education, energy and finance sectors.

Revenues	Operating Margin
£293m	20%
2012 | £253m	2012 | 19%
Employees	**Operating profit**
2,052	£58m
2012 | 1,795	2012 | £48m

Growth highlights
Investment in organic growth complemented by acquisitions.

dmg::events

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

Revenues	Operating Margin
£87m	24%
2012 | £89m	2012 | 24%
Employees	**Operating profit**
357	£21m
2012 | 326	2012 | £21m

Growth highlights
New launches combined with geographic expansion in Middle East, Asia and Africa.

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.

Revenues	Operating Margin
£405m	29%
2012 | £394m	2012 | 28%
Employees	**Operating profit**
2,351	£119m
2012 | 2,292	2012 | £112m

Growth highlights
Growth from emerging markets and digital products and services with an emphasis on subscription revenues and acquisitions.

Consumer

dmg::media

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

Revenues	Operating Margin
£793m	10%
2012 | £848m	2012 | 9%
Employees	**Operating profit**
3,353	£80m
2012 | 3,842	2012 | £78m

Growth highlights
Capitalising on growing audience reach, investing in digital opportunities, MailOnline, Mail Plus, Wowcher and Evenbase. Extracting cost efficiencies.

Joint ventures and associates

Zoopla
One of the UK's leading property websites.

Local World
UK local media business.

Xceligent
US property information business.

DMGT's share of operating profits/(loss)

Zoopla	Local World
£15m	£11m
2012 | £4m	2012 | N/A
Xceligent	
(£3m)	
2012 | (£1m)	

Growth highlights
Smaller holdings in companies with compelling commercial opportunities run by entrepreneurs enables us to enjoy rapid value creation.

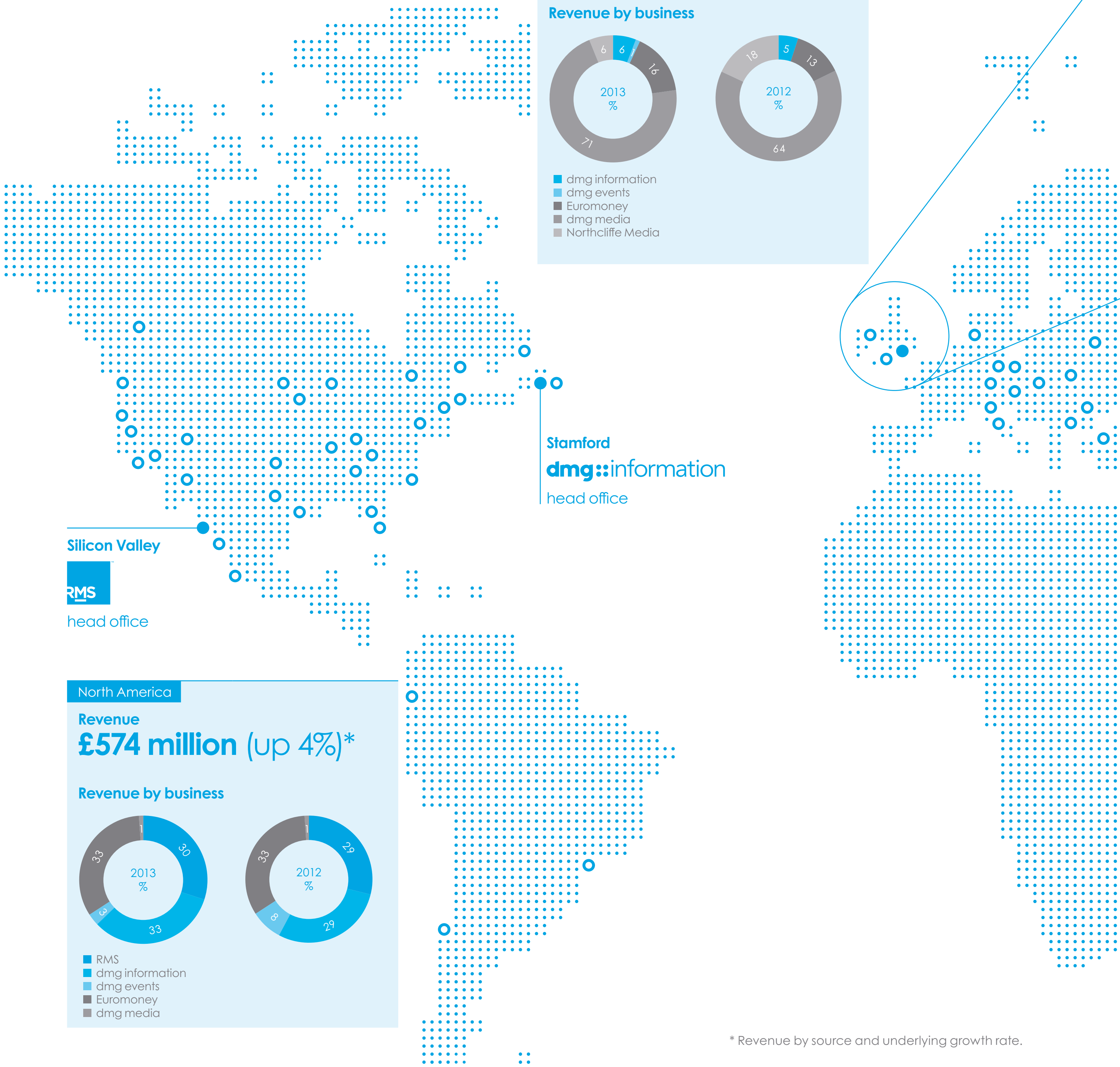
Overview

DMGT at a glance

Continued

Where we operate and our international opportunity

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



UK

Revenue

£1,048 million (0%)*

Revenue by business

- dmg information
- dmg events
- Euromoney
- dmg media
- Northcliffe Media

Stamford

dmg::information

head office

Silicon Valley

RMS

head office

North America

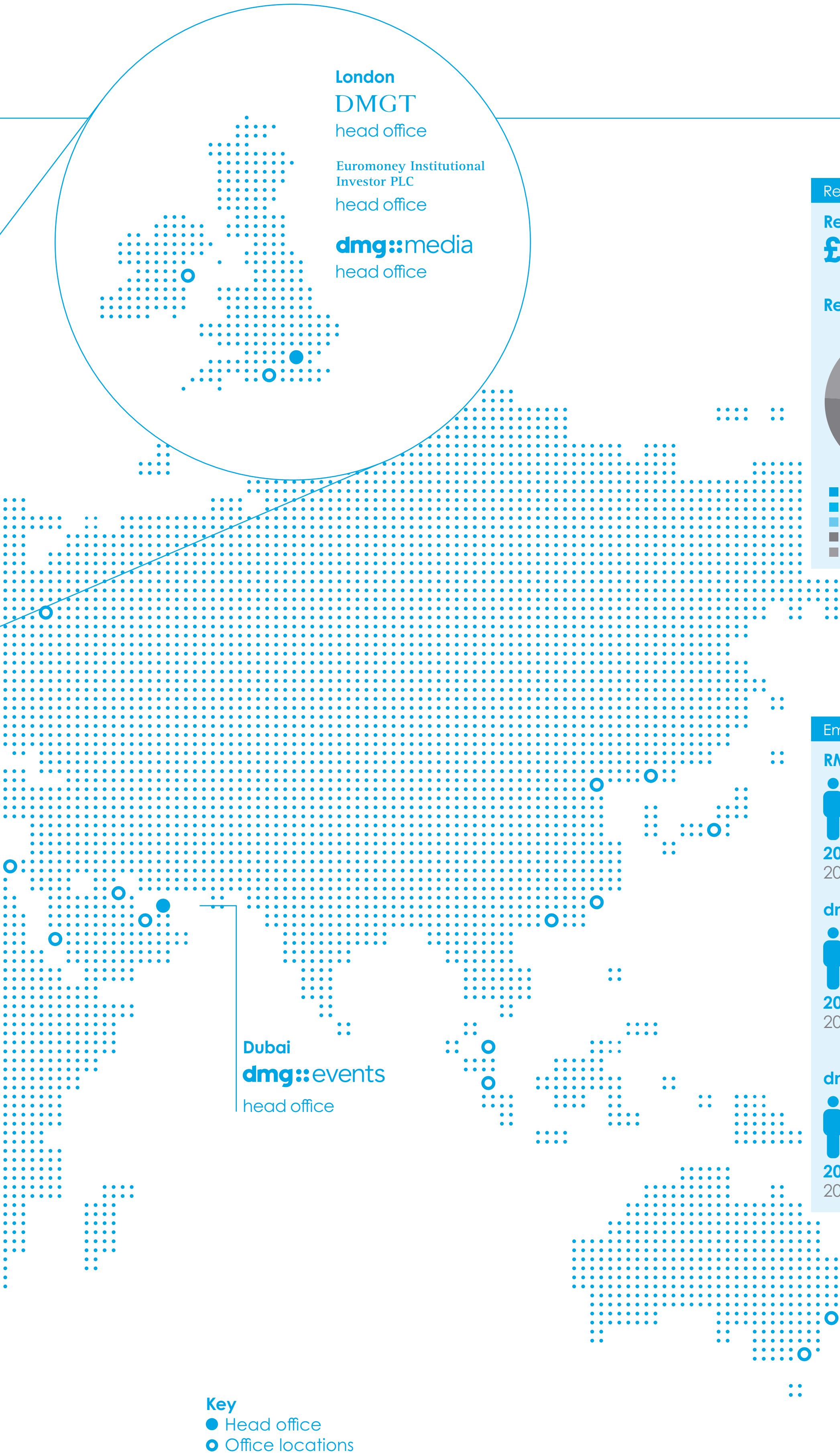
Revenue

£574 million (up 4%)*

Revenue by business

- RMS
- dmg information
- dmg events
- Euromoney
- dmg media

* Revenue by source and underlying growth rate.

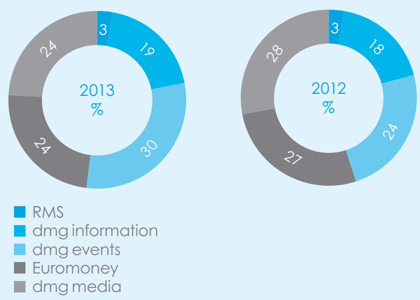


Key
- Head office
- Office locations

Rest of the world

Revenue
£180 million (up 11%)*

Revenue



Employees

RMS
2013 | 1,197
2012 | 1,064

dmg information
2013 | 2,052
2012 | 1,795

dmg events
2013 | 357
2012 | 326

Euromoney
2013 | 2,351
2012 | 2,292

dmg media
2013 | 3,353
2012 | 3,842

DMGT Board and Head Office
2013 | 101
2012 | 98

Overview

Chairman's Statement

The Viscount Rothermere
Chairman

DMGT has consolidated its global position as a leading provider of media content and business-to-business services. An outstanding management team, supported by an entrepreneurial workforce, has continued to innovate across our portfolio.

In the financial year, DMGT has reaffirmed its position as an innovative Group combining business-to-business (B2B) data, analysis, insight and events, alongside a powerful consumer media operation while delivering solid returns to shareholders.

Business highlights

Our strategy of organic investment and targeted acquisitions has continued to pay off, with expansion in most major markets and strong financial results. The Group's portfolio remains focused around its twin growth engines of B2B, comprising RMS, dmg information, dmg events and Euromoney, and a consumer media business stretching from the Mail titles to Evenbase, Metro and Wowcher and our stake in Zoopla Property Group.

Our consumer media operations were renamed dmg media following the 2012 disposal of Northcliffe Media to Local World, the regional newspaper group in which DMGT holds a 39% stake.

In both consumer media and B2B, digital technologies have been harnessed to meet rapidly changing demands for business services and content. We made a number of bolt-on acquisitions, including FirstSearch and Vessel Tracker by dmg information and Insider Publishing by Euromoney.

A strong financial performance enabled DMGT to maintain its enviable record for dividend growth (page 2). Our underlying growth prospects and continued financial discipline ensure that the Company is well positioned despite uncertain conditions in the media industry and wider global economy.

Global footprint and diversification

Over 60% of the Group's operating profits were generated outside of the UK as DMGT continued to expand globally. North America has been a particularly strong performer, accounting for 50% of profits. International growth has been impressive at RMS, dmg information and Euromoney. dmg events has consolidated its international position, particularly strengthening its presence in the Middle East. The global appeal of MailOnline, especially in the US, reaffirms that our content crosses borders. The Group enjoys a similarly diverse mix of revenue by type with sales from subscriptions, events and transactions nearly matched by those from digital advertising, circulation and print advertising. This balanced portfolio remains a core strength of the Group.

Content marketplace

Content is the lifeblood of our business. The market leading Mail titles produce news, features and analysis that their audiences depend on. Our editorial team, led by editor-in-chief and DMGT Executive Director Paul Dacre, has played a pivotal role in continuing to protect vital press freedoms within the UK's evolving framework for independent press regulation.

MailOnline is the world's most visited English language newspaper website, while Mail Plus has created a subscription model for tablet users. Our successful offerings in recruitment and daily deals underline the potential of multi-platform content distribution. Such distribution systems are also being deployed across our B2B operations, where customers relying on DMGT's specialist information and analysis in catastrophe risk insurance, property, education, energy and financial information, value the quality of content provided.

Entrepreneurialism and creativity

DMGT champions entrepreneurial freedom throughout its workforce, enabling business innovation to flourish. The Group relies on talented individuals who embrace our entrepreneurial culture, which is defined by constant innovation, a commitment to great content creation and the pursuit of long-term growth. As Chairman of the Board, I am committed to a culture of management autonomy – within a framework of financial discipline – that delivers value growth. Whether it's the impending 2014 deployment of RMS(one) or the US expansion of MailOnline, we have created the conditions where talented individuals can implement great ideas. The Group provides the resources and the incentives to ensure that we retain a competitive edge, ensuring that creativity leads to a positive return on investment.

Share structure

In July of this year, the Harmsworth family moved to simplify the ownership structure of the Company's Ordinary Shares. Rothermere Continuation Limited (RCL) increased its holding of Ordinary Shares to 89.2% from 59.9% by acquiring the entire shareholding of The Esmond Harmsworth 1998 Settlement. In August, the Directors of RCL and the Independent Directors of DMGT recommended a scheme for the reorganisation of the share capital of DMGT, in which other holders of the illiquid Ordinary Shares were offered more liquid A Ordinary Non-Voting Shares (A Shares) on the basis of 112.5 A Shares for every 100 Ordinary Shares.

Following the successful acceptance of the scheme, the Ordinary Shares have been delisted and the Company retains its listed status through its A Shares. As explained in detail in the Corporate Governance Report (page 38), the changed shareholder structure will not alter the way in which DMGT currently runs its portfolio of businesses. Throughout the history of DMGT, the Group's founding family shareholders have fully supported the evolution of the Company. This will continue to be the case under the revised ownership structure.

Governance

DMGT continues to maintain high standards of governance. Our Corporate Governance Report (pages 40 to 50) outlines these standards that shape our strategic delivery.

The composition of our Board reflects the business and geographic mix of our different operations, ensuring that we have the right skills and experience to advise on our international growth strategy. In February 2013 we appointed Andrew Lane as a Non-Executive Director. Andrew's

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appointment reinforces the Board's legal and regulatory skills. We announced in September 2013 that the Hon. Lady Keswick had joined the Board as an Independent Non-Executive Director. She will contribute particular experience and knowledge of the marketplace in Asia, where DMGT has significant growth ambitions.

The Board and management retain a strong commitment to diversity, international experience and adherence to governance standards throughout the Group. Again, this is explained in the Corporate Governance sections of this report.

Remuneration
The Group aligns the remuneration of management with the interests of shareholders and stakeholders. Our leadership team is incentivised to deliver organic growth, market-leading returns and long-term success. Our Remuneration Report (pages 51–70) sets out the detail of our rewards for the past financial year as well as our Remuneration Policies.

People, culture and corporate responsibility
Integrity remains a core part of DMGT's culture. Corporate Responsibility is shared by everyone in the organisation. This was highlighted by the inaugural Community Champions Awards which celebrated the exceptional lengths that the Group's employees go to support community initiatives. DMGT will not be judged by financial returns or growth rates alone. Each person in the Group makes a contribution to our performance and must comply with the high standards we aspire to. This is a quality we value highly. Our Corporate Responsibility Review on pages 30 to 35 explains our approach and achievements in more detail.

Performance
The financial results in this report are testament to the hard work of the entire DMGT team, led by Martin Morgan, Chief Executive. I would like to congratulate all staff for their continued dedication to our ongoing business development. Their commitment has been recognised in numerous awards, reflecting the depth of talent in the Group. We have continued to invest in quality journalism, in new technologies and enhanced business services. I commend everyone for contributing to this success story.

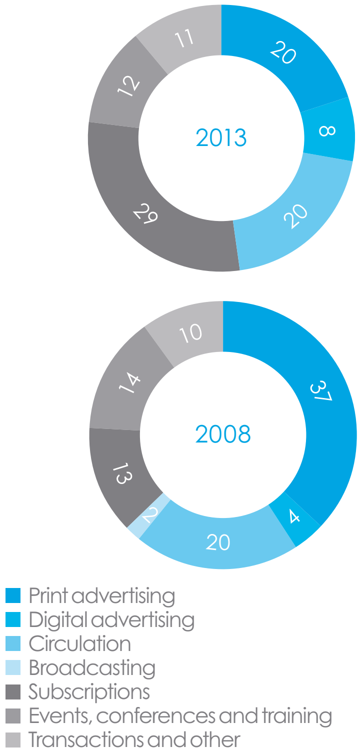
Year ahead
Fifteen years ago I was privileged to become Chairman succeeding my father, the third Viscount Rothermere. Over that period, DMGT has seen greater change than any other time in its history.

Of those 15 years, the last five have seen considerable changes through a global economic downturn and the slow and varied return to growth across the world's markets. Our balanced portfolio has allowed us to manage through this period delivering robust results. As illustrated, digital technology is now embedded in every part of the Group. We reach more audiences and customers in more countries than ever before. DMGT has invested heavily in growth opportunities and managed its portfolio to minimise risk. We have embarked on the current financial year from a position of strength.

During this period, DMGT has become a digital media champion and pioneer of valuable business services. We can look ahead with confidence. The best is yet to come.

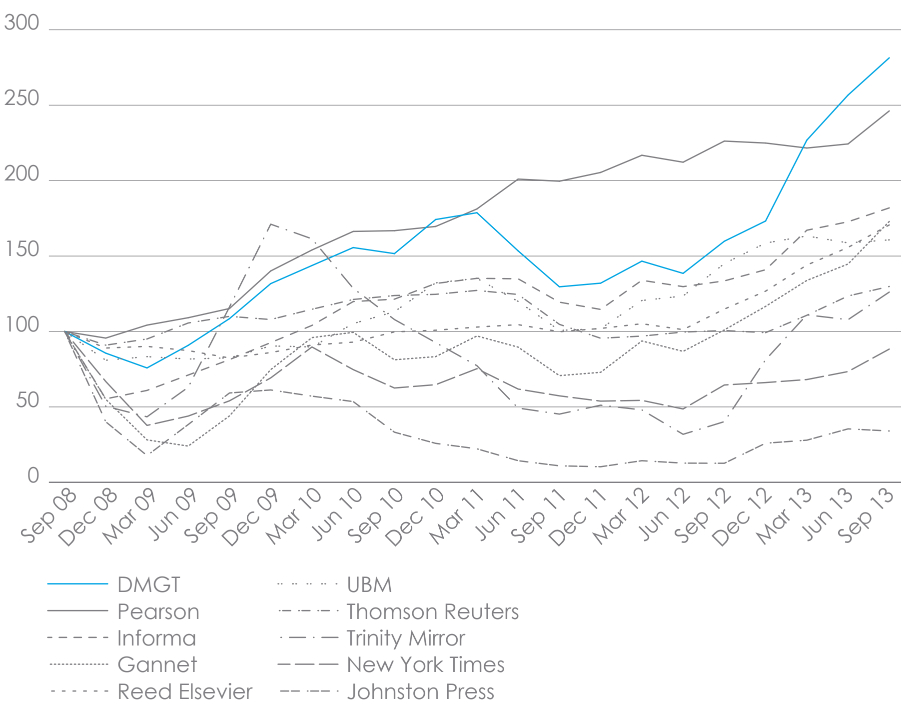
The Viscount Rothermere
Chairman

Revenue by type: 2013 VS. 2008



Total Shareholder Returns 2008 to 2013

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



Strategic Report

Chief Executive's Strategy Review

Martin Morgan
Chief Executive

In this section:

DMGT has delivered another year of strong performance, demonstrating its progress as an entrepreneurial, international and increasingly digital provider of high quality business information, news and entertainment to multiple audiences.

Our success, measured by demanding Key Performance Indicators (KPIs), reflects DMGT's five year transformation into becoming a focused business-to-business (B2B) information and consumer media Group, generating growing revenues and sustainable profits.

We have continued to expand our B2B operations, to accelerate the digital transition across the Group, and to extend our global presence.

This Strategic Report sets out our strategy and objectives and includes reviews of each of our operating businesses.

In the Financial and Treasury Review (pages 24–27), Stephen Daintith, Finance Director, describes our earnings performance in detail, the principal risks we face and the steps taken to mitigate them.

Social, environmental and community information is set out in our Corporate Responsibility Review on pages 30–35. We have set out our approach to governance in our Directors' Report commencing on page 36.

It has been gratifying to lead, alongside our Chairman, a Group which is achieving its primary goals.

Strategic ambition

DMGT has evolved from a business focusing on newspaper publishing into one which now creates and distributes media content and specialist business information, in multiple ways, for customers in multiple markets around the world. We measure our progress against KPIs. These demonstrate how we are performing according to our three core objectives:

- Growing our B2B companies
- Developing our consumer media business
- Diversifying internationally into high growth markets

Group Strategy

This is the remit of our five operating businesses: Risk Management Solutions (RMS), dmg information, dmg events, Euromoney Institutional Investor (Euromoney) and dmg media.

We invest in companies which will generate value through sustained growth over the long term.

We aim to deliver relevant, reliable and topical information and analysis that is hard to find elsewhere and which is vital to our readers and clients in either their personal or business lives.

Our decentralised operating structure ensures that the people making the important decisions are close to their markets and customers. We encourage our companies to be thought leaders and to challenge the status quo. We strive for agility and see change as an opportunity. We are also ready to pursue the benefits of intra Group cooperation by sharing best practice when that makes sense.

DMGT derives significant advantage from its long-term family ownership which enables its management to take entrepreneurial risks and make long-term investment decisions. When coupled with active portfolio management and financial discipline, it has been a powerful enabler of DMGT's expansion during a time of deep structural change affecting the industries in which we operate.

The share capital of DMGT (page 38) has been reorganised during the year following the offer by Rothermere Continuation Limited (RCL), representing the interests of the Chairman and his immediate family, to acquire 100% of the Ordinary Shares.

Shareholders in DMGT can be assured that the entire management team is committed to maintaining the Group's strategic direction and commitment to good governance.

Strategic priorities

We have five strategic priorities to deliver our three core objectives:

- **Fostering innovation to deliver organic growth**
- **Maintaining rigorous and active portfolio management**
- **Driving international growth**
- **Applying state-of-the-art technology**
- **Attracting and developing entrepreneurial talent**

Fostering innovation to deliver organic growth

DMGT has maintained its disciplined approach to capital allocation. As shown by the investment preferences diagram, we give top priority to organic growth investment supported by contributions from newly acquired bolt-on businesses.

During the year we have made a number of major organic investments. These include investment in RMS(one), a new product to be rolled out by RMS in 2014, which will deliver open, real-time risk management in the Cloud. We have also made an investment in Delphi, the new Euromoney digital content, MailOnline, Mail Plus, Wowcher and in a wide variety of dmg information initiatives.

Maintaining rigorous and active portfolio management

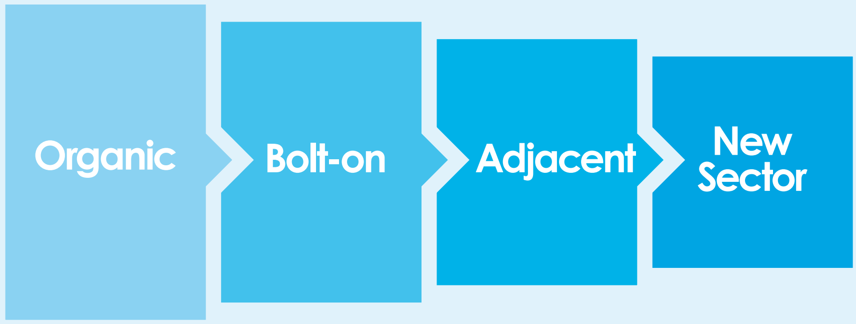
DMGT's active management of its portfolio of businesses is an important element of the Group's strategy. Our existing businesses and potential new investments are evaluated against clearly laid out criteria, which are summarised below.

Meeting DMGT's investment criteria:

- **Have potential for high rates of organic growth and maintain our balanced global portfolio**
- **Are international and have the potential for cross-border activity**
- **Have innovative products, quality content and deep customer insight**
- **Are market leaders**
- **Have entrepreneurial and creative leaders**
- **Benefit from DMGT's long-term perspective**
- **Meet our financial criteria**

As evidence of this strategy being implemented, over the past five years more than 40 businesses have been sold or closed while 30 businesses have been acquired. As a result, our Group is more agile than it was five years ago, with a better deployment of capital represented by increased profitability per employee. A tighter focus on a narrower range of businesses has enabled us to deploy management talent more effectively.

DMGT investment preferences



In the financial year, the Group spent £93 million on acquisitions and they were all B2B businesses. The disposals during the reporting period raised £88 million and comprised Northcliffe Media and our media operations in Central and Eastern Europe.

The portfolio at dmg information was strengthened by a number of acquisitions including Vessel Tracker by Genscape, while Hobsons bought Edumate, Beat the GMAT and the National Transcript Centre. dmg information's property information business, EDR, acquired FirstSearch. Euromoney also made a number of acquisitions in complementary businesses such as TTI/Vanguard, Centre for Investor Education Insider Publishing and HSBC's Quantitative Techniques.

Complementing our preference for making bolt-on acquisitions to support organic growth, we favour making investments in markets which are adjacent to those we already operate in successfully. For example, Cougar in property information.

On the back of an improving trading performance and lower debt we are now looking to enter new sectors in the years ahead.

Driving international growth

Our entrepreneurial culture enables us to look for opportunities to make the Group ever more international in its reach. This year has seen us expand our MailOnline operations in the US. Additionally, we have sought to lay the groundwork for expansion in Asia by relocating some of our most talented executives to the region.

Applying state-of-the-art technology

The Group has continued to invest in digital innovation and in new technologies to serve a rapidly changing marketplace. In the past financial year, we have seen a further increase in the digital share of Group revenues to 42%. The proportion of revenues from digital is expected to continue growing with the deployment of innovative new products such as RMS(one), Investor Management Network at Euromoney, MailOnline, Wowcher and all the fast growing dmg information businesses.

There are a number of transformative initiatives in both our B2B and consumer businesses which demonstrate these developments. More detail on these can be found in the operating business reviews on pages 12–21.

Attracting and developing entrepreneurial talent

In order to deliver on our strategic objectives, we rely on talented individuals throughout the organisation. Business leaders in DMGT are encouraged to be entrepreneurial, and to retain and recruit innovative people.

We launched a new Leadership Development Programme and have continued to invest in the Technology Summer School, which brings together our leading technology experts. We have deepened the reach of talent review and succession planning into our operating businesses. Details of our approach to training, management and remuneration are set out in detail in the Corporate Responsibility Review (pages 30–35) and in the Remuneration Report (pages 51–70).

Trends affecting DMGT

Although DMGT has made significant progress in the past financial year, markets remain challenging in several parts of our business. For example, budgets continue to be constrained in the banking industry.

However, recent signs of improving economic growth in the UK and notably in North America, indicate that external conditions may be becoming more favourable than at any time since the onset of the financial crisis five years ago.

The shift to digital consumption continues to create new content and distribution models. This requires DMGT to innovate ahead of the market, adapt to the increasing use of mobile devices and move operations to the Cloud.

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Chief Executive's Strategy Review

Continued

Major Trends

Continuous innovation

Technological innovation will continue to transform the world and how people live and do business in it. It is impacting the global economy.

Global shifts

The economic balance of power is shifting from North America and Europe to BRIC nations.

China is projected to overtake the US as the largest economy by 2017 in purchasing power parity terms.

Source: PWC

The growing importance of data

The amount of data available will continue to grow at a rapid rate as will demand for this data, delivered how, when and where the customer wants. This will lead to new technologies, new solutions and new risks.

Privacy concerns will grow as an issue.

A dwindling talent pool

A global talent crisis looms. Mature economies will struggle to replace retiring baby boomers and developing economies will seek the better educated workers needed to power emerging markets.

Austria, Poland, Russia and Japan are projected to lose more workers than they gain between 2011 and 2020.

Source: Boston Consulting Group

Those of our businesses most exposed to declining markets for print publications have made considerable strides to adapt. Sharply increased digital advertising volumes, higher traffic to specialist sites such as Jobsite, Zoopla and Wowcher and the success of titles such as Institutional Investor, in creating new and growing digital products and services, demonstrate progress.

Financial performance

DMGT delivered a good performance during the financial year. As discussed in greater detail in the Financial and Treasury Review (pages 24–27), Group underlying revenues rose by 2% and underlying operating profit increased by 6%, at an operating margin of 17%.

Our performance in the year continued to demonstrate the benefits of our investment approach which helped generate rising productivity and profitability.

Given the solid performance in the financial year, we have continued to review carefully the incentives and rewards in place at each of our operating businesses. Our Remuneration Report (pages 51–70) explains our compensation approach, overseen by the Remuneration Committee of the Board, in more detail.

Review of the operating businesses

As highlighted before, a more detailed report on each of the operating businesses is set out from page 12.

RMS

RMS continues to perform strongly. As an entrepreneurial, innovative and technology driven business, it supports many of our strategic priorities, including that of being a truly global business deploying the latest technology. RMS is a thought leader in the market which it serves.

It is now preparing to launch RMS(one), a cloud-based platform which promises to make available real time risk information and models.

dmg information

dmg information, which runs a portfolio of B2B information companies in the property, education, energy and finance sectors, delivered double digit revenue and profit growth.

Increased transaction volumes and the growth of new products generated strong growth at Landmark and EDR in the commercial and residential real estate markets. Increased demand for information and software services serving universities and high schools, primarily in the US, lifted the performance at Hobsons, our education information business.

dmg events

Growth has been strong, particularly in the Middle East and in the energy sector. We are increasing the frequency of some of our large biennial shows. We were successful in maintaining our impressive rate of new event launches.

Euromoney

Euromoney has delivered solid profits in spite of challenging markets, particularly in the financial services industry where budgets have been constrained.

Demand for print advertising has held up better than anticipated for specialist print publications focused primarily on international finance, metals and commodities. Subscription growth has come from introducing new digital information products and interactive analytical tools. The deployment of the Delphi platform to modernise content creation for digital media is expected to lead to further growth.

dmg media

Following the sale of Northcliffe Media in December 2012, our consumer media business was renamed dmg media.

MailOnline, the world's most visited English language newspaper website, has continued to grow strongly. We are now well placed to build even larger online audiences and related advertising and eCommerce revenues.

The business, which includes print and online media, produced a highly commendable performance with underlying digital revenues, growth largely offsetting declining print circulation and advertising revenues.

Joint ventures and associates

One aspect of being active portfolio managers is that we will, on occasion, undertake a merger or invest by taking less than a controlling stake in companies where there is a compelling commercial reason for doing so. It is an approach which enables us to maximise potential growth opportunities and work in a collaborative way with entrepreneurs and other stakeholders. During the year we were active in the creation of Local World, into which we merged Northcliffe Media.

Additionally, in 2012, we merged the Digital Property Group into Zoopla and made an investment in the early stage property information business, Xceligent. All these businesses performed well.

Share price performance

The price of DMGT's A Ordinary Non-Voting Shares (A Shares) has increased by almost 58% from £4.83 on 1 October 2012 to £7.62 on 30 September 2013. The shares have once again out-performed both the UK media sector and the FTSE All-Share Index.

DMGT is a member of important indices including MSCI, STOXX and S&P. As a standard listed stock, the A Shares are not included in the FTSE UK Index Series. This follows changes to the FTSE listing classifications that first impacted DMGT in 2012.

These changes have had no impact on the obligations and procedures adopted by DMGT as a listed company. The Group continues to be regulated as a publicly quoted company under the Listing Rules and to adopt the practices of the UK Listing Principles, and maintains high standards of governance and disclosure, including the application of the UK Corporate Governance Code.

Outlook

During my time as Chief Executive, the management team with the full support of the Board, has built on the solid foundations of the Group, to react to not only the changes presented by the global economic downturn, but also to the trends in our markets. Over that time, the management team has reshaped DMGT into a leaner, more international, increasingly digital and more profitable business.

That transformation has led to a re-rating of DMGT, reflected by the share price performance in the past year and our underlying growth prospects. We now anticipate that our B2B businesses in an improving external environment, will be able to deliver a higher rate of growth. Our consumer media operations are well positioned to navigate and monetise the digital transition sweeping the sector.

With our stronger balance sheet, we are better placed to sustain investment in organic growth initiatives, make more bolt-on acquisitions and to carefully consider entering new sectors. Conditions in many of the markets remain challenging but our prudent approach to our finances and active portfolio management enable us to deal with the unexpected.

DMGT can approach the coming financial year with confidence.

Martin Morgan
Chief Executive

"With our stronger balance sheet, we are better placed to sustain investment in organic growth initiatives, make more bolt-on acquisitions and to carefully consider entering new sectors."

Risk Management Solutions

RMS, acquired by DMGT in 1998, is still run by its entrepreneurial founders. The business has a track record of innovation within the B2B information sector.

Hemant Shah
President and CEO

Business review

	2013 £m	2012 £m	Movement %	Underlying %
Revenue	175	163	+7%	+6%
Operating profit*	57	56	+1%	0%
Operating margin*	32%	34%		

* Before exceptional items, impairment and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 74 and the reconciliation in Note 13 to the Accounts.

In line with our strategic objectives, RMS is developing new technologies which will change the face of the insurance risk management market.

Business Model

RMS is a world leader in catastrophe modelling, providing critical risk management solutions to hundreds of financial institutions around the world.

RMS revenues are derived mainly from annual subscriptions, with recurring revenue renewal rates exceeding 95%. It has a strong position in the risk management marketplace and is well positioned for growth through its existing modelling operations as well as the forthcoming launch of RMS(one).

Performance Highlights

Demand for RMS modelling and related subscription services helped lift underlying revenues by 6% to £175 million, in spite of softening market conditions in many parts of the reinsurance marketplace.

The improvement was driven mainly by increased annual subscription renewal rates and the deployment of additional risk services in RMS' core catastrophe business. There has been continued investment in new insurance tools and risk models.

In the period, underlying operating profits were constant at £57 million, representing a healthy margin of 32% for the year.

The company remains on track for the 2014 launch of RMS(one), and has been encouraged by client interest in the new technology, which stimulated record attendance at its annual client conference when it demonstrated the platform's capabilities.

RMS also enjoyed improved market share and solid adoption rates in its Capital Markets and LifeRisks businesses.

In Capital Markets, RMS has continued to build its profile as the leading portfolio risk management platform for the insurance-linked securities market. The LifeRisks business provides solutions to measure mortality and longevity risk for the pensions and annuities sectors, an area where RMS also offers advice on longevity risk bonds.

Strategic Priorities

In this financial year, the strategic focus has continued to be on the further development and testing of RMS(one), a transformative technology platform for catastrophe risk analysis and data solutions. During the period, RMS invested c. £31 million in developing RMS(one).

Support for RMS(one) is demonstrated by the significant number of RMS customers who have played an active role in the early adopter programme and are part of the fast cycle beta testing approach RMS has implemented to ensure a successful launch. In parallel, RMS has continued to pursue selected growth opportunities in its core modelling activities including a new Asian typhoon model.

Fostering innovation to deliver organic growth

RMS(one) will deliver significant benefits in terms of next generation technologies for risk modelling. It offers a single platform for all models and risk exposures, combined with the efficiency of cloud-based systems enabling significantly more powerful analysis.

The platform is being deployed following several years of development and intense beta-testing over the past financial year. It promises improvements in model run times and data query latency. Clients will be able to access a rich ecosystem of value adding applications and functionality, utilising portfolios of differing risk models and stress tests.

Once deployed, the platform promises to create growth opportunities in other insurance and financial sectors.

Application of state-of-the-art technology
With the ability to return answers 100 times faster than existing catastrophic risk modelling systems, RMS(one) will deliver open, real time risk management at speeds feasible only with cloud-based technology. This will enable clients to use simulator type analytics to measure any number of possible risk outcomes.

Driving international growth
RMS' highly sophisticated models for the perils of hurricane and earthquakes were originally developed for the USA. The US market accounts for just over 50% of revenues. Since then new models utilising the intellectual property and expertise of RMS scientists and engineers have been utilised to create a range of models for other perils not only for the USA but for other geographies around the world. RMS has extensive coverage of the UK, Europe and Japan and is gaining traction in China, South East Asia and South America. As a result its models now cover more than 50 countries and more than 90% of global property insurance premiums.

Attracting and developing entrepreneurial talent
Given the demands created by RMS(one), the business has been actively recruiting new talent with a background in cloud-based systems and software. RMS is also investing in its client facing teams and support staff to meet the launch schedule and encourage rapid adoption of the new platform. Recruiting and retaining high calibre people in a highly competitive environment is an ongoing priority. It has required an innovative approach to recruitment which is proving increasingly successful. The Group's approach to remuneration, which allows flexibility to match the needs of particular businesses, has been a key element to achieving this.

Priorities in the year ahead
2014 will be a pivotal year for RMS as it brings RMS(one) to market. The business anticipates mid single digit revenue growth from the existing core model business and £15-25 million of revenue from RMS(one).

Revenues from RMS(one) have significant long-term potential but will take time to build, particularly given the usage based fee model in place. As planned, the development of the RMS(one) platform has been a significant capital investment for the business and there will be associated amortisation costs following the launch. The robust infrastructure underpinning the hybrid cloud environment must meet clients' expectations of security and data integrity standards, and these new data centre costs will also be a significant operating expense. The costs associated with RMS(one) will therefore impact RMS' profitability in FY2014, with the overall profit margin expected to be approximately 25%.

RMS

rms.com

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dmg information

Suresh Kavan
Chief Executive

dmg information brings together a portfolio of entrepreneurially run innovative businesses, which thrive under the DMGT light touch management approach.

Business review

	2013 £m	2012 £m	Movement %	Underlying %
Revenue	293	253	+16%	+12%
Operating profit*	58	48	+21%	+14%
Operating margin*	20%	19%		

* Before exceptional items, impairment and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 74 and the reconciliation in Note 13 to the Accounts.

dmg information's companies are notable for growing off the back of a deep understanding of their markets and customers. They provide innovative solutions which are highly valued.

Business Model

dmg information has a proven track record in identifying and developing young companies into strong performers in specific niche markets. It leverages the long term perspective and financial backing of the Group. It is a provider of B2B information for the property, education, energy and finance sectors (see chart on page 27 for sector revenue split). dmg information operates under the Landmark, EDR, Hobsons, Genscape and Trepp brands among others. DMGT highly values the subscription or transaction revenue models of these businesses with their high renewal rates.

Performance Highlights

High underlying double digit revenue growth and increased profitability has characterised another strong performance. This is due to a combination of product expansion and improving demand with particularly impressive growth in its property, education and energy businesses.

Revenues reached £293 million, while operating profits increased by an underlying 14% to £58 million.

In property, EDR experienced a gentle recovery in the US commercial property sector and Landmark an improvement in overall transaction volumes in both the residential and commercial property sectors in the UK. On-Geo, which is part of Landmark, grew strongly and gives dmg information exposure to the important German market.

In education Hobsons, which is predominantly based in the US, increased underlying revenues by 12% amid rising demand from high schools for information which enables them to help students select colleges and universities. More than 6,500 US high schools rely on Hobsons' Naviance product. There was also continued growth in Hobsons' higher education business, which offers software and systems to universities and colleges to recruit students and manage student information throughout the enquiry and application process, and increasingly once students have started attending their chosen institution.

During the year Hobsons invested in a new service offering for universities to completely outsource the marketing, enrolment and administration of their online tuition programmes. This had a negative impact on margin.

Growth in energy, where Genscape is a leading provider of real time 'supply-side' information, has benefited from increased demand for its rich array of analytics and proprietary data. Genscape increased its product range to cover the additional oil, gas and bio-fuels sectors. Underlying revenues rose by 17%.

The financial information businesses, where Trepp is the market leader in providing information on commercial mortgage backed securities (CMBS), delivered creditable single digit growth benefiting from higher issuance of new CMBS albeit in conditions which remained uncertain. Lewtan continued to offer innovative products to lenders and traders as well as investors and issuers of other classes of asset backed securities.

Strategic Priorities
dmg information is giving priority to organic growth complemented by bolt-on acquisitions, with a preference for businesses which have subscription based revenues. dmg information has also been increasingly active in investing in young companies – recent examples being Xceligent and Cougar, in property information.

Active Portfolio Management
Other acquisitions include FirstSearch, also in property information, which provides environmental information and analysis for commercial property due diligence in the USA and which became part of EDR. Vessel Tracker, located in Germany allows Genscape to monitor the movement of vessels around the world, thereby providing vital new information which impacts supply and demand estimates for energy markets.

These bolt-on acquisitions are highly complementary, adding additional products and talent, as well as delivering useful synergies. This was true of Edumate, Beat the GMAT and the National Transcript Center, three growing businesses which have enhanced Hobsons' product portfolio.

In October 2013, dmg information's stake in Xceligent increased to 52% from c. 49%. It is now treated as a subsidiary. Also in October 2013, dmg information acquired Decision Insight Information Group which provides property searches through SearchFlow in England and Wales, Millar & Bryce in Scotland and Rochford Brady in Ireland.

Application of state-of-the-art technology
Clients are increasingly demanding interactive and real time data which enables them to improve decision making. A growing priority is on providing platforms based on up to date technology.

Hobsons is currently working on an integrated platform strategy for its range of higher education products by applying experience learnt at Naviance, the K-12 high school platform.

Genscape continues to consolidate the current variety of its existing infrastructure onto one system. This will improve business continuity and enable further rapid product innovation.

Driving international growth
dmg information has historically given priority to growing in the USA. From its new Asian headquarters in Singapore, it is now exploring further expansion in South and East Asia. In parallel it has been researching opportunities in South America. Priority is being given to the property, education and energy sectors.

In education, advances in technology have enabled Hobsons to provide more international student access.

Genscape is extending its presence beyond existing markets to include Eastern Europe, and is looking at opportunities in Japan and Australia.

Attracting and developing entrepreneurial talent
Recruiting and developing talent continues to be a key priority for all dmg information companies. Its decentralised structure has been vital to its successful track record in retaining the founders of acquired businesses and supporting the next stages of innovation and growth. It nurtures an environment which fosters the sharing of best practice combined with a strong sense of individual accountability and ownership, supported by the skills and experience of the dmg information parent organisation.

By ensuring each company is led by an entrepreneurial leader, the culture is one which in turn attracts highly motivated and innovative employees. Due to the increasing importance and changing nature of technology, dmg information companies are placing greater emphasis on recruiting and developing top quality technology talent.

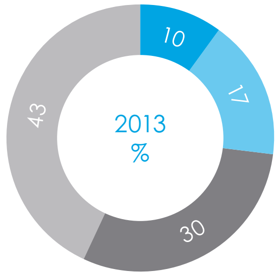
Priorities in year ahead
International expansion will continue to be a key priority, combined with additional investment in technology. Moving to unified platforms enables the businesses to deliver superior products.

In addition to Hobsons and Genscape similar initiatives are being considered by EDR and Landmark. dmg information anticipates that these strategic priorities coupled to improving market conditions will contribute to another year of double digit revenue and operating profit growth.

dmg::information

dmginfo.com

Revenue by sector



- Energy information
- Financial information
- Education
- Property information

dmg events

dmg events is an important part of our portfolio with its international footprint and strong brands which lend themselves to being replicated in high-growth geographies.

Geoff Dickinson
Chief Executive Officer

Business review

	2013 £m	2012 £m	Movement %	Underlying %
Revenue	87	89	-2%	+12%
Operating profit*	21	21	+1%	+14%
Operating margin*	24%	24%		

* Before exceptional items, impairment and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 74 and the reconciliation in Note 13 to the Accounts.

With event teams working across the globe, dmg events' decentralised and light touch management style allows entrepreneurial behaviour to flourish with agile execution of ambitious growth plans.

Business Model

dmg events produces B2B exhibitions and conferences in the energy, construction, interiors and digital marketing sectors. Its events attract more than half a million visitors annually.

The events market is large, diverse and growing. dmg events has a proven track record of establishing strong cooperation arrangements with local partners to facilitate expansion into new markets and geographies.

Performance Highlights

dmg events delivered strong underlying revenue growth of 12% and underlying profit growth of 14%.

Reported results were impacted by the disposal of Evanta in September 2012. Margins are among the highest in the industry.

Strategic Priorities

The current priorities are for new launches and continued geo-cloning. Harnessing technology to extend the event experience is also an objective. To deliver these priorities the development of existing talent combined with the ability to attract new talent is also of critical importance.

Fostering innovation to deliver organic growth

Customer demand and content innovation has led to a number of biennial events being moved to annual frequently as shown in the table on page 17. For example, ADIPEC and the Global Petroleum Show will both be held annually from 2014 and 2015 respectively. Gastech is moving to an 18-month frequency.

Driving international growth

New events are being launched in new geographies notably off the back of the company's established presence in the Middle East, with successful new events launched in Saudi Arabia and Kuwait and a planned entry into Qatar. A new construction show was launched in India. New events are being planned for Singapore and China in 2014.

Application of state-of-the-art technology

Delegates and exhibitors today expect a greater degree of interactivity and digital engagement. dmg events is making information and conference details compatible for smartphones, tablets and other internet enabled devices.

Attracting and developing entrepreneurial talent

The light touch management style allows entrepreneurial behaviour to flourish. dmg events continues to attract talent, with entrepreneurial flair and the ability to operate in a range of geographies and sectors which is critical to its continued success.

Priorities in the year ahead

Attention will be paid to ensuring the new annual frequency of ADIPEC and the Global Petroleum Show are successfully executed alongside further geographic and geo-cloning initiatives.

dmg events remains confident about the outlook. It should continue to deliver healthy double digit revenue and profit growth next year.

Event frequency table

Creating a smoother cycle

	FY11		FY12		FY13		FY14		FY15	
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2
Big 5 Dubai	A		A		A		A		A	
ADIPEC	B				B		A		A	
Global Petroleum Show				B				B		A
Gastech	B				18		18			
INDEX	A		A	A		A		A		A

	FY11	FY12	FY13
Revenue	£m	£m	£m
Total for major events	38	31	43

18 Months
Biennial
Annual

dmg::events

dmgevents.com

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Euromoney Institutional Investor

Christopher Fordham
Managing Director

Euromoney has been part of DMGT since 1969. As the Group's first investment in B2B publishing, it has continued to demonstrate the benefits of a diversified portfolio.

Business review

	2013 £m	2012 £m	Movement %	Underlying %
Revenue	405	394	+3%	+1%
Operating profit*	119	112	+6%	+1%
Operating margin*	29%	28%		

* Before exceptional items, impairment and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 74 and the reconciliation in Note 13 to the Accounts.

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

Business Model

The business is focused on the international finance, metals and commodities sectors. It provides digital research and data, publishes both online and print journals, as well as running conferences, seminars and training courses. More than half of its revenues derive from subscriptions and more than a third derive from emerging markets. Euromoney continues to show itself to be a resilient business achieving growth despite tough conditions in the financial markets, by being able to respond quickly to changing markets.

Performance Highlights

Euromoney delivered a solid performance in spite of challenging conditions in several of its markets.

The company generated revenues of £405 million and modestly improved operating profits to £119 million. An unchanged operating margin of close to 30% reflects tight management of costs and increased investment in new products and technology.

The performance reflects steady demand for digitally delivered research and data, along with a return to subscription growth. This offset advertising weakness in print titles serving the international finance sectors. Euromoney's events businesses contributed robust revenues and earnings growth amid positive trends for conferences and seminars aimed at international finance, energy and telecoms markets, particularly in the US.

By division, turnover improved in business publishing and conferences and seminars, compensating for weaker sales in financial publishing and training. Recent bolt-on acquisitions also contributed to earnings, such as the Centre for Investor Education (CIE), the Australian provider of investment forums for the asset management industry.

The benefits from technology investment, a reduction in funding costs and lower central overheads, is positioning Euromoney to deliver further improvements as market demand strengthens.

Strategic Priorities

The company is committed to building a robust and tightly focused global online information business with an emphasis on emerging markets. This strategy involves increasing the proportion of revenues from subscription products and using technology to develop new information services. It also involves moving print products online, and phasing out products with low margins or an over reliance on advertising.

In addition, Euromoney is making selective acquisitions as part of accelerating its growth strategy.

Active Portfolio Management

Euromoney has maintained a track record of significant growth which has been derived from acquisitions and synergies extracted from combining new and existing businesses.

In the financial year Euromoney has made a number of acquisitions for a total cost of £32 million. These bolt-ons included:

- TTI/Vanguard, the US private membership organisation for technology executives in global organisations;
- The Insurance Insider, the publisher and events organiser for international insurance and reinsurance markets;
- CIE, an Australian company that hosts investment forums for the asset management industry; and
- Quantitative Techniques, the benchmarking and calculation agency arm of HSBC which creates and maintains indices for HSBC's global markets division and more than 60 external clients.

These businesses complement existing operations, while also offering a springboard into new information areas or markets.

Fostering innovation to deliver organic growth

The company continues to invest for growth in a challenging market, where the provision of specialist information, data and events has become increasingly digital.

The investment in technology has focused on richer data content for subscription customers at the same time as stimulating online traffic that is attractive to advertisers.

Euromoney has invested in new online data and research products, as well as technology to accelerate the transition from print to online consumption.

Application of state-of-the-art technology

The single largest organic investment is Delphi. This will provide a common content production management and distribution system. This will enable the business to manage and deliver content to more subscribers on more platforms with granular discovery and aggregation, the removal of existing barriers to product segmentation, increased speed to market and an additional focus on digital output.

It will include semantic and technical search categorisation to be deployed first at BCA Research, and then EuroWeek in 2014. All of Euromoney's editorial products should be on the new platform by the end of 2015.

Delivering international growth

The group's main offices are in London, New York, Montreal and Hong Kong and more than a third of its revenues are derived from emerging markets.

Emerging markets continue to be a key part of Euromoney's international growth strategy, with the products proving resilient in these challenging markets.

The business is also well positioned to benefit from the growth of US markets and US financial institutions.

Attracting and developing entrepreneurial talent

Following the death of Padraic Fallon in October 2012, there has been a transition to a new leadership team led by Richard Ensor, Executive Chairman, Christopher Fordham, Managing Director, and Colin Jones, Finance Director.

In order to attract and motivate high potential individuals suited to Euromoney's growth aspirations, Euromoney has a Capital Appreciation Plan, which is a share option scheme operated to reward executives for long-term profit growth and the delivery of higher shareholder returns. A new capital appreciation plan has been proposed and is designed to incentivise growth and retention in the years to come.

The organisation has also been investing in digital training to ensure that all members of staff are equipped to work with the Delphi content management system, where relevant, and to keep pace with the technology demands of clients.

Priorities in the year ahead

In the year ahead, Euromoney will continue with investment in digital technologies, a focus on emerging market growth, extracting synergies from recent acquisitions whilst making new acquisitions. Maintaining a high rate of new product development will continue to be a priority.

This will underpin revenues and profitability, in spite of continued Eurozone uncertainty and volatile demand in some commodity sectors. Internally, the main priority will be to deploy the Delphi platform across the company.

The Delphi deployment is expected to coincide with improving market trends in the US and the first signs of advertising sales moving in a more positive direction.

dmg media

Kevin Beatty
Chief Executive

dmg media operates in the fast moving consumer market. The opportunity to innovate and the ability to move quickly to adapt to trends is a key feature of our consumer media business.

Business review

	2013 £m	2012 £m	Movement %	Underlying %
Revenue	793	848	-6%	-1%
Operating profit*	80	78	+4%	+10%
Operating margin*	10%	9%		

Figures exclude Northcliffe Media.

* Before exceptional items, impairment and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 74 and the reconciliation in Note 13 to the Accounts.

dmg media (formerly known as A&N Media) has undergone a significant transformation. Whilst its print businesses continue to generate a significant proportion of the profits, an increasing proportion of the division's revenue is derived from its growing digital businesses. It is now focused on national print and driving digital revenues from a smaller number of high potential businesses.

Business Model

dmg media's portfolio of print and digital consumer media assets include two of the UK's most read paid-for newspapers, the Daily Mail and The Mail on Sunday, and the world's most visited English language newspaper website, MailOnline. The portfolio also includes Metro, Evenbase and Wowcher. Revenues are generated from advertising and circulation, with an increasing proportion from digital revenue streams.

Performance Highlights

dmg media delivered a resilient performance. Revenues were £793 million, an underlying decrease of 1%. It was a creditable result given the wider upheavals sweeping the media industry. Operating profits of £80 million were achieved at a margin of 10%.

Last December the Group completed the disposal of the Northcliffe Media regional newspaper business to Local World for cash proceeds of £52.5 million. As part of that transaction, DMGT also received a 38.7% stake in the newly formed Local World publishing group.

The remaining consumer media operations are focused on print and digital assets that are increasingly interactive and international in audience appeal. Healthy returns were generated by the core print assets and Evenbase, while we continue to invest in Mail Online and Wowcher to drive their long term growth.

During the year, commercial and financial changes to the terms and conditions of some of dmg media's trade debtors resulted in a one-off reduction in working capital of c. £60 million.

Mail titles

The Daily Mail and The Mail on Sunday, increased their share of the UK national newspaper market to 22% and 21% respectively.

There was a weekday cover price increase at the Daily Mail in February 2013. Total circulation revenues declined by an underlying 3% to £341 million. Print advertising revenues were down by 8% at £200 million, reflecting weakness in categories such as retail, travel and financial, in part due to the absence of the benefit from the Jubilee and Olympics which took place in 2012.

Combined digital and print advertising remained constant on an underlying basis, with the growth in digital advertising offsetting the decline in print advertising.

MailOnline has consolidated its position as the largest English speaking newspaper website in the world. The audience reach and global appeal of MailOnline contributed to a 48% increase in revenues to £41 million.

The Mail titles are committed to further digital innovation, including securing new subscription income from Mail Plus, the paid-for online version of the Daily Mail, designed for tablet use, which was fully launched in February 2013 and was extended to include The Mail on Sunday in July 2013.

Operating profits for dmg media reflected cost savings and efficiencies from the consolidation of the UK print plants, particularly the transfer of Mail Newspapers' main print facilities from Surrey Quays in London to Thurrock in Essex, in summer 2013.

Metro

The free morning newspaper targeting urban commuters has consolidated its position as the UK's third largest daily and the world's biggest free newspaper. It captured an increasingly mobile digital audience in addition to its average print readership of 3.4 million. Metro's website attracted 17 million monthly unique browsers in September 2013, more than double September 2012, with 49% of its audience now accessing via a mobile device. Revenues (including 7 Days in the UAE) declined 10% to £80 million for the financial year, reflecting the benefit the Olympics had on last year's results.

Evenbase

Following the acquisition of Jobrapido in 2012, overall revenues improved by 35% to £78 million, an underlying increase of 11%.

Profits remained flat due to investment in technology.

Wowcher

The daily deals and online discounts business achieved rapid growth, consolidating its position as the UK's second largest provider of voucher deals. Revenues rose by 184% to £14 million.

Strategic Priorities

The business remains focused on reducing its reliance on print advertising and investing in digital growth. dmg media remains committed to the highest editorial standards and has increased its newspaper market share whilst expanding the proportion of digital revenues.

Active Portfolio Management

The sale of its Central European print and digital businesses and Northcliffe Media, its UK regional newspaper business were completed. Our c. 39% holding in Local World, Northcliffe's new parent company, further offers a potential upside from any consolidation of the regional media marketplace.

Fostering innovation to deliver organic growth

dmg media launched Mail Plus. It is a fully interactive online version of the Daily Mail and The Mail on Sunday, available to subscribers as an app. It includes innovative content including 360-degree photography and interactive puzzles. Subscribers to Mail Plus are enhancing the overall ABC readership of Mail Newspapers.

Daily traffic to MailOnline continued to grow, September's level of 9.5 million being 48% higher than in September 2012. More than 43% of this traffic was generated from the UK and 26% from the US.

During the summer, Metro launched Metro Play, a gaming website, initially offering casino games. Wowcher revenue continued to benefit from a growing subscription base, driving strong merchant retention.

A £53 million investment in the Thurrock print plant in Essex is expected to generate annualised savings of about £20 million from 2014, compared to the running costs of the Surrey Quays site it replaced, due to its efficient state of the art and environmentally advanced production facilities.

Fostering international growth

Most of the international growth in consumer media in the financial year has been generated in the US, where MailOnline, now employs over 100 people in editorial and commercial activities. Of the £41 million annual revenue at MailOnline, a growing proportion was generated from the US, 85% higher than last year. US demand has also driven increased international revenue contributions at Evenbase and has helped the job recruitment business to attract nearly 1.2 billion visits per year from more than 50 countries.

Attracting and developing entrepreneurial talent

This year dmg media launched its own leadership development programme, complementing DMGT's scheme. This, coupled with a new Graduate Recruitment Programme, reflects a renewed emphasis on talent development.

Editorial talent was recognised in the past year with over 25 industry awards, a result of its quality journalism.

Priorities in the year ahead

Pressure on print circulation and advertising is expected to continue. dmg media will counter such pressures by further efficiency measures and growing digital revenues. Lower net investment is expected in the coming year. DMGT believes its digital businesses are well placed to benefit from increased digital consumption and a trend by advertisers to target online audiences. Combined with cost discipline and targeted investments, these priorities should deliver a solid performance in the coming year.

dmg::media

dmgmedia.co.uk

Joint ventures and associates

Two of DMGT's major joint ventures are consumer businesses. The results for these businesses are consolidated separately and are excluded from the table on page 20.

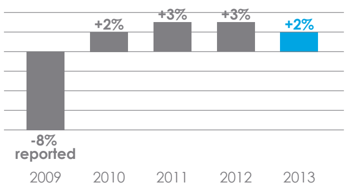
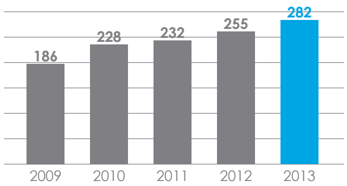
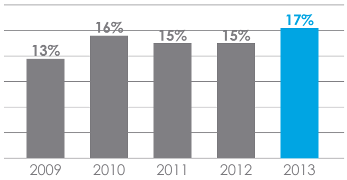
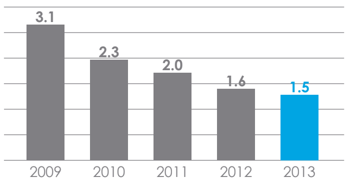
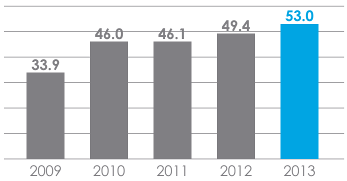
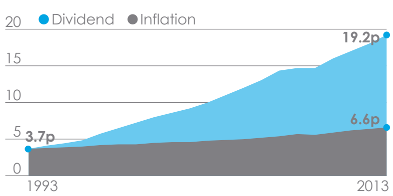
Zoopla Property Group

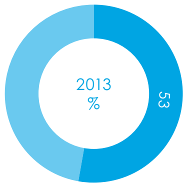
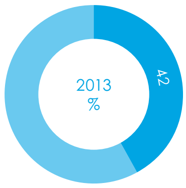
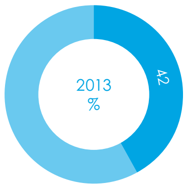
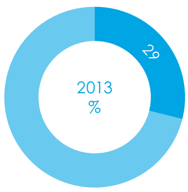
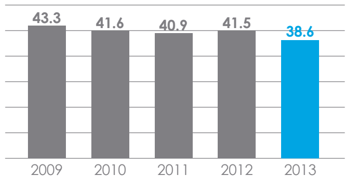
Zoopla Property Group, in which DMGT holds a c. 51% stake, delivered a very strong performance. Product innovation, effective selling and improving conditions in the residential property market contributed to a significant growth in revenues.

Local World

Local World, in which DMGT holds a c. 39% stake following the sale of the Group's Northcliffe Media assets in late 2012, reported a revenue performance that was in line with expectations but with greater than expected cost efficiencies, resulted in a stronger than expected profit performance.

Strategic Report
Key Performance Indicators

Description	Relevance	Performance	Narrative	Strategic priority
Underlying revenue growth	Our underlying revenue growth (after adjusting for M&A activity) is an important indicator of the health and trajectory of our businesses.		**Underlying revenue growth** **+2%** 2012 | +3%	• Fostering innovation to deliver organic growth. • Applying state-of-the-art technology. • Driving international growth.
Group adjusted profit before tax	As a portfolio-based Group, DMGT periodically buys and sells businesses. This KPI monitors the Group's adjusted profit before tax (shown in £m's).		**Group adjusted profit before tax#** **£282m** 2012 | £255m Group adjusted profit before tax grew by 10% helped by increased income from joint ventures and associates and reduced net finance costs.	• Maintaining active and rigorous portfolio management.
Operating margin	DMGT's investment criteria emphasise profitable, high-growth sectors. In the long term, increasing adjusted operating margin indicates an improvement in the quality of its business assets.		**Operating margin#** **17%** 2012 | 15%	• Fostering innovation to deliver organic growth. • Maintaining active and rigorous portfolio management. • Driving international growth. • Applying state-of-the-art technology.
Net debt: EBITDA ratio	Management aims to regain DMGT's investment-grade status. This includes maintaining a low net debt and targets a net debt: EBITDA ratio of below 2.0 times.		**Net debt: EBITDA** **1.5 times** 2012 | 1.6 times Through strong operational cashflows, continued portfolio management and tight control of working capital, we have brought our net debt: EBITDA level down to its lowest level in years.	• Maintaining active and rigorous portfolio management.
Earnings per share	Management seeks above average growth in adjusted earnings per share to maximise overall returns for its owners (shown in pence).		**Earnings per share#** **53.0p** 2012 | 49.4p	• Fostering innovation to deliver organic growth. • Maintaining active and rigorous portfolio management.
Dividend per share	The Board's policy is to maintain dividend growth in real terms over the long term.		**Dividend per share** **19.2p** 2012 | 18.0p We were able to continue our strong track record of dividend growth and have proposed a full year dividend of 19.2p, up by 7% from last year.	• Fostering innovation to deliver organic growth. • Maintaining active and rigorous portfolio management.

Description	Relevance	Performance	Narrative	Strategic priority
B2B share of total revenues	The growth of its business divisions are key components of DMGT's strategy. This KPI tracks the proportion of total revenues attributable to B2B activities.		**B2B share of total revenues#** **53%** 2012 | 46%	• Maintaining active and rigorous portfolio management. • Driving international growth.
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. The KPI measures DMGT's success in internationalising the business.		**International share of total revenues#** **42%** 2012 | 37%	• Driving international growth. • Attracting and developing entrepreneurial talent.
Digital share of total revenues	We expect digital activities to account for the majority of DMGT's future growth. This KPI tracks the rate at which the Group is monetising its digital content.		**Digital share of total revenues#** **42%** 2012 | 35%	• Applying state-of-the-art technology. • Attracting and developing entrepreneurial talent.
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#** **29%** 2012 | 25%	• Driving international growth. • Applying state-of-the-art technology. • Attracting and developing entrepreneurial talent.
Organic Investment as a % of total revenues	Investing back into the businesses, to continue DMGT's tradition of product innovation and effective use of technology, is key to delivering sustained long-term profitable growth.		**Organic investment as a % of total revenues** **7%**	• Fostering innovation to deliver organic growth.
Carbon footprint	DMGT understands the importance of acting responsibly. We are targeting a 10% reduction in our carbon emissions to 37.3 tCO_2/£m revenue, over three years from 2012 to 2015.		**2013** **38.6 tCO_2/£m revenue** 2012 | 41.5 tCO_2/£m revenue	• Attracting and developing entrepreneurial talent.

From continuing and discontinued operations.

Strategic Report

Financial and Treasury Review

Stephen Dainttith
Finance Director

This Financial and Treasury Review demonstrates the strong revenue and profit performance from DMGT's diversified portfolio of market leading businesses. It also reflects the share of revenues and profit derived from different business sectors, including the rising proportion of revenues from subscriptions, digital and international operations.

Key financial highlights

Underlying Revenue	EPS	Underlying Operating Profit	Net debt ratio
+2%	+7%	+6%	1.5 times
2012 | +3%	2012 | +7%	2012 | +7%	2012 | 1.6 times
Operating Margin	**Dividend increase**	**Adjusted PBT**	**Dividend**
17%	+7%	+10%	19.2p
2012 | 15%	2012 | +6%	2012 | +10%	2012 | 18.0p

In this report, underlying revenue or profit* is revenue or profit* on a like-for-like basis, adjusted for constant exchange rates, disposals, closures, acquisitions and, with the exception of Euromoney, non-annual events occurring in the current and prior year. For dmg information the underlying results include the post-acquisition organic growth from acquisitions. For dmg events, the comparisons are between events held in the year and the same events held the previous time, and exclude Evanta which was disposed of in September 2012. For Euromoney, underlying comparisons exclude current year acquisitions and underlying profit* excludes the benefit in both FY2012 and FY2013 of the historic acceleration of its CAP charge. For dmg media, underlying comparisons exclude low margin contract printing revenue, which ceased during the year, the effects of the sale of Teletext Holidays and motors.co.uk last year, the disposal of the Central and Eastern European businesses this year, and the merger of the Digital Property Group and Zoopla at the end of May 2012, and include the organic growth from Jobrapido. Northcliffe Media is excluded from the DMGT Group underlying comparisons.

Accounts

This Financial and Treasury Review focuses on the adjusted earnings of DMGT, which enables shareholders to make a like-for-like comparison of the Group's underlying performance. The statutory results, including restructuring and impairment charges, are set out in the Financial Statements later in this Annual Report. The adjusted earnings are summarised above.

Adjusted profit before tax rose by 10% to £282 million, reflecting the 6% growth in underlying operating profits and contributions from joint ventures and associates.

Revenues

Group revenues in the financial year, increased by 2% on an underlying basis. On a reported basis, revenues fell by 8%, reflecting the impact of discontinued businesses compared with the prior year figures.

Revenues from B2B businesses, Risk Management Solutions (RMS), dmg information, dmg events and Euromoney Institutional Investor (Euromoney), were £960 million, an underlying increase of 6%. RMS delivered underlying growth of 6% to £175 million reflecting continued demand for its risk analysis models, services, expertise and data solutions for the quantification and management of risk for the reinsurance industry. Accelerated growth is anticipated with the launch of the new RMS(one) software platform in 2014.

dmg information's revenues increased by an underlying 12% to £293 million in the year, underpinned by double-digit growth in its property, education and energy businesses.

dmg events' revenues of £87 million grew by an underlying 12%, though they declined on a reported basis following the disposal of Evanta in 2012.

Euromoney generated revenues of £405 million, up by an underlying 1%. More than half of Euromoney's revenues are derived from subscriptions and more than a third are derived from emerging markets.

Total revenues from consumer businesses (including £49 million from Northcliffe Media in the three months prior to sale), were £842 million, down 1% on an underlying basis. The digital businesses, including MailOnline, delivered strong growth, offsetting the impact of declining print advertising revenues.

Underlying advertising revenues at dmg media were in line with last year, as the continued sharp growth in digital advertising, which increased by 28%, offset the 9% decline in print advertising. The comparative growth rates in the final quarter were adversely impacted by the 2012 Olympics in the previous year and, for the first nine months of the year, underlying advertising revenues were up 2%, which marks a significant inflection point for dmg media.

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The charts on page 27, illustrate the breakdown of DMGT revenues, showing the changing profile of our sales by business segment and by geographic region. This demonstrates the reduced reliance on print based revenues, while total revenues generated outside the UK increased to £754 million.

Operating profit
In the financial year operating profit of £300 million was up by 6% on an underlying basis, and constant on a reported basis. The overall operating margin improved to 17%, reflecting strong growth at dmg information and dmg events, and a solid underlying performance at dmg media which improved margins despite the underlying decline in revenues and investments in the digital businesses.

Operating profit is stated before charging £41 million for exceptional operating items, principally associated with reorganisation and redundancy costs at dmg media and amortisation of intangible assets.

The operating profit by activity is shown in the chart on page 27. It shows that 77% of operating profit was generated from the Group's B2B operations and 23% from consumer media. The profit split includes corporate costs allocated on a revenue basis. Almost two thirds of our profits come from outside the UK.

The Group's B2B operations increased overall profit by an underlying 4% to £232 million, whilst the profit from consumer media was £68 million, an underlying increase of 13%. Northcliffe Media contributed £7 million of operating profit during the quarter prior to its disposal and is excluded from DMGT's underlying growth rate. Encouragingly, DMGT continues to evolve towards a higher proportion of revenues from subscription based and digital activities. Operating margins also remain healthy, particularly in the B2B business areas. The average sterling-to-US dollar exchange rate for the year was £1:$1.56.

The operating profit performance reflects DMGT's continued success in growing its B2B activities, while also diversifying internationally into high growth markets and continuing to develop the Group's consumer media businesses.

Financing costs
Net finance costs fell to £40 million, largely due to the redemption and repayment of DMGT's 7.5% Bonds during FY12 and FY13, the increased pension credit and lower average net debt. The pension credit increase largely reflects changing rates. Other investment income increased to £2 million.

Joint ventures and associates
DMGT's share of the adjusted results of joint ventures and associates increased from £13 million to £22 million, reflecting a £15 million contribution from Zoopla Property Group, in which DMGT holds a 51% stake, and £11 million from Local World. The previous year's £13 million included £10 million from DMG Radio Australia, which was sold in August 2012.

Results before taxation
The statutory pre-tax profit for the financial year was £203 million after charging £35 million of exceptional items.

Taxation
The adjusted tax charge of £52 million (2012 £39 million) is stated after adjusting for the impact of exceptional items. The adjusted tax rate increased from 15.2% to 18.4% for the year, primarily due to an increasing level of profits in the US and other higher tax rate jurisdictions. The continued relatively low rate reflects tax reductions from tax-efficient financing and tax deductible amortisation in the US. Given the current mix of growing US based businesses and existing tax rates, the effective tax rate is expected to increase to around 22% over the next three years, as a greater proportion of profits will be subject to the higher US tax rate.

Profit after tax
Adjusted Group profit after tax and minority interests increased by 6% to £200 million. Statutory post tax profit was £213 million, compared with £277 million in the prior year.

Earnings per share
Adjusted basic earnings per share increased by 7% to 53.0 pence, compared with 49.4 pence in the prior year. The weighted average number of shares in issue during the year was 377.5 million, down from 382.8 million in the previous year, as a result of the share buy-back programme.

Exceptional items
Exceptional operating costs were £41 million, compared to £89 million in the prior year. Total exceptional costs, including amortisation of intangible assets and profits and losses on disposals, were £35 million, compared to an exceptional gain of £12 million in 2012.

Cash flow and net debt
Net debt has decreased by £40 million to £573 million, and is down from £724 million at the half year, reflecting seasonality of cash flows.

The Group generated operating cash flow of £376 million, a conversion rate of 125% of operating profits.

During the year, the commercial and financial changes to the terms and collection of some of dmg media's trade debtors resulted in a one-off reduction in working capital of c. £60 million.

There were net interest payments of £57 million in the period and £69 million was spent on the DMGT share buy-back programme.

Active portfolio management continued throughout the year with acquisitions totalling £93 million and disposals totalling £88 million. Notable acquisitions included Insider Publishing, FirstSearch, Vessel Tracker, the Centre for Investor Education and Euromoney shares. Disposals included dmg media's Central and Eastern European business as well as Northcliffe Media.

DMGT's principal net debt remains in long-term bonds. At the year end, the Group had £674 million of bonds with £309 million of December 2018, £169 million of April 2021 and £196 million of June 2027 bonds. The Group also held £2 million of other debt, £88 million of cash and £15 million of derivatives. DMGT's ratio of year end net debt to adjusted profits before interest, depreciation and amortisation (EBITDA) was 1.5 times, well within the Group's preferred level of 2.0 times.

DMGT's corporate credit ratings are BBB- from Fitch and BB+ from Standard & Poor's.

The Group has bank facilities of c. £300 million that were undrawn at year end and expire in April 2016.

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.

Strategic Report

Financial and Treasury Review

Continued

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 deficit in the defined benefit schemes has fallen from £324 million at the beginning of the year to £208 million at the financial year end (calculated in accordance with IAS 19). Corporate bond yields were volatile over the year but ended slightly up (from 4.4% to 4.6%) which resulted in a reduction of the calculated defined benefit obligation. The deficit was further reduced by an increase in the value of the schemes' assets and funding payments into the main schemes.

Funding payments included £12 million in accordance with the funding agreement with the Trustees. Additional funding payments were made of £2 million as a result of the Group's share buy-back programme and £17 million resulting from the disposal of Northcliffe Media with a further £13 million due to be paid in January 2014. Additional funding payments of £23 million were made after the year-end in October 2013 in accordance with the funding agreements with the Trustees. These additional funding payments include a distribution made from the guarantee structure, provided to the principal defined benefit pension scheme, Harmsworth Pension Scheme (HPS). This helps reduce the need for additional cash contributions to HPS. Whilst the loan note is treated as an asset of the Scheme and reduces the actuarial deficit within the Scheme, under IAS 19 it is not included as an asset and is excluded from the calculation of the £208 million year-end deficit.

The main defined benefit schemes are undergoing a triennial valuation by the Scheme Actuary as at 31 March 2013. The preliminary results of the valuations indicate an increase in funding levels compared with the position at 31 March 2010. Since the year end the Group has agreed in principle to a revised schedule of additional funding payments to the main schemes totalling c. £30 million p.a. to 2020 and £24 million p.a. thereafter until 2026, or until the schemes' actuary agrees the schemes are no longer in deficit if shorter. The defined benefit pension schemes are closed to new entrants. There has been no significant change in the allocation of the scheme's investments.

All new UK employees are now offered defined contribution pension plans. These plans are used to fulfil the Group's obligations under auto-enrolment.

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. DMGT acquired shares to the value of £69 million in the period. The programme reflects the confidence of the Board in the growth prospects of DMGT. The Board remains confident in the outlook for the year ahead, reflected by the current trading performance, the prudent level of debt and the cash-generative nature of our operations. The Group's senior management continues to believe that the creation of shareholder value over the long term requires a balanced approach to investing in growth and returning excess capital to shareholders. We will therefore, as in recent years, continue to look for attractive acquisitions and actively manage our business portfolio while maintaining our dividend policy and growing dividends by between 5% and 7%, in real terms, over the long term.

Subject to the share price, the Board has decided to complete the remaining £31 million of the £100 million share buy-back programme announced in November 2012, although DMGT's M&A requirements will remain the priority for investment. The Board will review further share repurchase programmes on an ongoing basis, in the context of its balanced approach to investing for growth and returning capital to shareholders.

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 22 and 23.

DMGT and its businesses adopted demanding 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.

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 above average earnings per share growth; and
- maintain dividend growth in real terms.

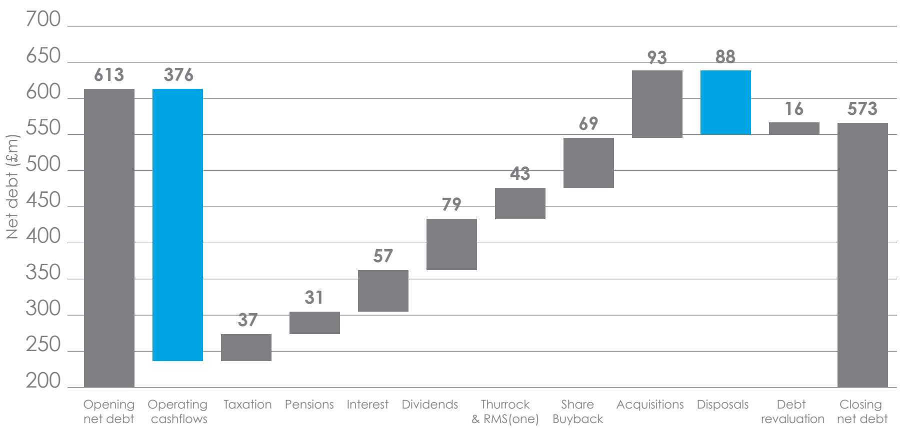
DMGT aims to deliver sustained long-term profitable growth and understands the importance of reinvesting in the businesses to support product innovation and the effective use of technology. The amount spent on organic investment initiatives in the year was 7% of revenues and DMGT considers this to be an appropriate rate for the Group to maintain.

DMGT's success in increasing the proportion of profits derived from B2B operations has enabled the Group to meet its financial KPIs, as has the growing share of non-UK revenues and profits, the rising digital share of total revenues and the contribution to revenues from subscription activities.

Summary

Our strong cash flow and flexible capital allocation, along with the ability to secure both organic investment opportunities and bolt-on acquisitions in new sectors should further help DMGT to meet its financial objectives in future.

Cash flow and net debt



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Revenue#
£1,802m
2012 | £1,960m

Operating profit#*
£300m
2012 | £300m

Earnings per share#*
53.0p
2012 | 49.4p

Net debt
£573m
2012 | £613m

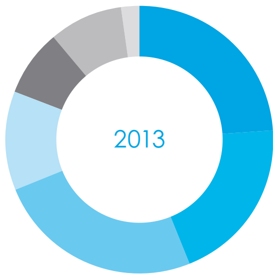
Undrawn committed bank facilities
c.£300m
2012 | £298m

Net debt:EBITDA
1.5 times
2012 | 1.6 times

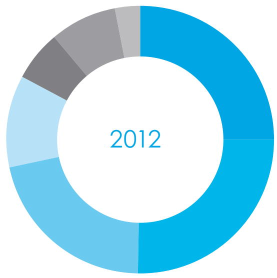
Revenue by type (%)#

Set out below is a split of revenue by type.

Subscriptions and circulation print, Advertising print, Subscriptions non print, Events, training and conferences, Other non print, Advertising non print, Other print



	2013	%
Subscriptions and circulation print	£427m	24%
Advertising print	£357m	20%
Subscriptions non print	£453m	25%
Events, training and conferences	£216m	12%
Other non print	£150m	8%
Advertising non print	£154m	9%
Other print	£45m	2%
	£1,802m	

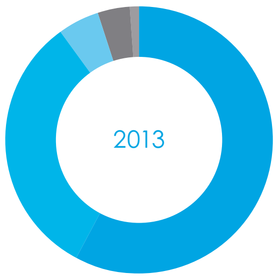


	2012	%
Subscriptions and circulation print	£488m	25%
Advertising print	£490m	25%
Subscriptions non print	£413m	21%
Events, training and conferences	£219m	11%
Other non print	£126m	6%
Advertising non print	£157m	8%
Other print	£67m	3%
	£1,960m	

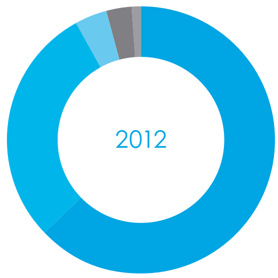
Revenue by geographical area (%)#

Set out below is a split of revenue by geographical type.

UK, North America, Rest of the world, Rest of Europe, Australia



	2013	%
UK	£1,048m	58%
North America	£574m	32%
Rest of the world	£98m	5%
Rest of Europe	£66m	4%
Australia	£16m	1%
	£1,802m	

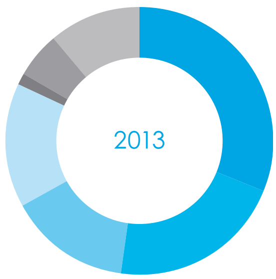


	2012	%
UK	£1,235m	63%
North America	£560m	29%
Rest of the world	£83m	4%
Rest of Europe	£68m	3%
Australia	£14m	1%
	£1,960m	

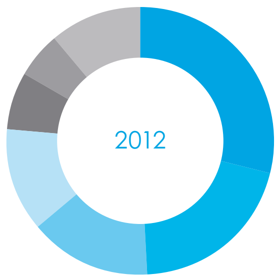
Operating profit by activity #*

Set out below is a split of operating profit by activity.

Euromoney, National media, RMS, Business information, Local media, Events, Corporate costs



	2013	%
Euromoney	£119m	40%
National media	£80m	27%
RMS	£57m	19%
Business information	£58m	19%
Local media	£7m	2%
Events	£21m	7%
Corporate costs	(£42m)	(14%)
	£300m	



	2012	%
Euromoney	£112m	37%
National media	£78m	26%
RMS	£56m	19%
Business information	£48m	16%
Local media	£26m	9%
Events	£21m	7%
Corporate costs	(£41m)	(14%)
	£300m	

* Before exceptional items, impairment and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 74 and the reconciliation in Note 13 to the Accounts.
# From continuing and discontinued operations.

Strategic Report

Principal Risks

We understand that risk is a part of doing business. Understanding the risks and, just as importantly, the opportunities that impact DMGT 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 and the Risk Committee can be found in the Directors' Report on page 42.

Strategic risks

Description	Impact	Strategic priority	Mitigation	Change
New or disruptive technologies or competitors and changing behaviour • The impact of new technology and competitors e.g. mobile, tablet, cloud and big data • Changing behaviours e.g. online adoption and social media usage • Falling newspaper readership and advertising spend	New technologies or competitor products can impact the demand for our products with a resultant direct impact on Group results	• Application of state-of-the-art technology • Fostering innovation to deliver organic growth	• The Group's diverse portfolio of businesses and products reduces the overall Group impact • The Leadership team, with the Executive teams and functional heads, monitor 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	↑
Management of portfolio and allocation of capital • Failure to identify or successfully develop organic growth opportunities • Failure to identify acquisition targets • Acquisitions fail to yield expected value • Failure to dispose of non-core businesses early enough	Underperformance of the Group and/or impairment losses. Potential synergies and growth opportunities lost by failure to identify acquisition targets. Diversion of management time from other operational matters. Optimal value from disposals is not realised	• Rigorous and active portfolio management • Fostering innovation to deliver organic growth • Driving international growth	• Adherence to our investment criteria and approval by the Investment and Finance Committee • Acquisitions in related markets with a high potential for growth • Detailed due diligence performed • Retention of key employees in the acquired business • Board level monitoring is performed post acquisition • Disposals overseen by the Board and the Director of Strategy Development	→
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 When key staff leave or retire, there is a risk that knowledge or competitive advantage is lost	• Attracting and developing entrepreneurial talent	• Formal approach to talent management and succession planning • Investment in Leadership Development Programme and related programmes • Payment of competitive rewards • Employee performance and turnover monitoring • Staff communication/engagement	↓
Economic downturn • UK advertising revenue is impacted by fluctuations in the wider economy • Property and financial markets in the UK and US are similarly affected • Lack of growth in key markets, including financial markets	Advertising revenues have been heavily affected by the downturn in the UK economy Risk of not achieving revenue and profit targets Certain sectors, including financial and property sectors have experienced slow growth rates impacting growth prospects and revenue generation	• Fostering innovation to deliver organic growth • Driving international growth	• Diversifying into business information and subscription revenue streams • Investment in strong brands • Cross geography and sector approach	→

Strategic risks continued

Description	Impact	Strategic priority	Mitigation	Change
US dollar earnings • An increasing portion of Group profits arise in US dollars • The Group's functional currency is Sterling • See note 33 for more information	A weakening of the dollar could directly impact on the value of US dollar earnings when translated into Sterling	• Driving international growth	• The Investment and Finance Committee approves Group Treasury policies • Debt is held in proportion to currency of earnings as far as possible	→

Operational risks

Description	Impact	Divisions most affected	Physical protection/implementation of technology	Change
Information security breach or cyber attack • Loss of confidential or personal information • Unavailability or corruption of key data	Challenge to the integrity of a DMGT product resulting in reputational damage Unavailability of online products leading to loss of revenue and reputational damage Operational and regulatory challenges, fines, reputational damage and costs of remediation	All	• Group information security policy and detailed security standards • Group policy on business continuity planning including IT system disaster recovery • Regular reviews by the Risk Committee and Risk & Assurance • Security is reviewed as part of every internal audit	↑
Failure of a major change project • The most significant change project is currently RMS(one)	Increased costs or lost revenues as a result of delays, unforeseen problems, loss of access to systems and data or production and delivery issues	RMS	• Approval by the Investment and Finance Committee for significant projects • Rigorous planning process • Ongoing project management • Monitoring by the local board • Significant projects are monitored by the Risk Committee	↓
Pension scheme deficit • The UK newspaper business operates defined benefit pensions schemes • Deficits in the schemes are ultimately funded by the sponsoring company	Reported 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	dmg media	• The Pensions Sub-Committee reviews proposals to reduce volatility and overall cost	↓
Reliance on third parties – Key commercial relationships Key third parties include: • Data centre and cloud software and service providers • Data providers • Event venues • Newsprint suppliers • Newspaper distributors and wholesalers	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 Newsprint represents a significant cost and prices are subject to volatility arising from variations in supply and demand	RMS, dmg media, dmg information, dmg events	• Significant time dedicated to managing relationships • Operational and financial due diligence is undertaken for key suppliers • Newsprint requirements are managed by a dedicated team. Where possible, long-term arrangements are agreed with suppliers to limit the potential for volatility	↑

Strategic Report

Corporate Responsibility Review

David Dutton
Chairman, Corporate Responsibility Committee

We believe in acting responsibly in everything we do. In doing so, we prefer to choose the long-term and most sustainable approach. We believe that responsibility and performance are inextricably linked.

With our heritage as a family owned business we have always evaluated performance in generational terms, taking the long-term approach to how we operate. This is reflected in our commitment to acting responsibly.

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.

Our Group wide CR philosophy is embraced by each of our businesses. We are dedicated to demonstrating good corporate citizenship.

Our open and decentralised culture means that we empower the CEOs of our businesses to develop CR strategies appropriate to their communities, but that fit within our overall framework. This allows us to have a direct impact on the communities in which we operate. This means that we deliver performance with progress.

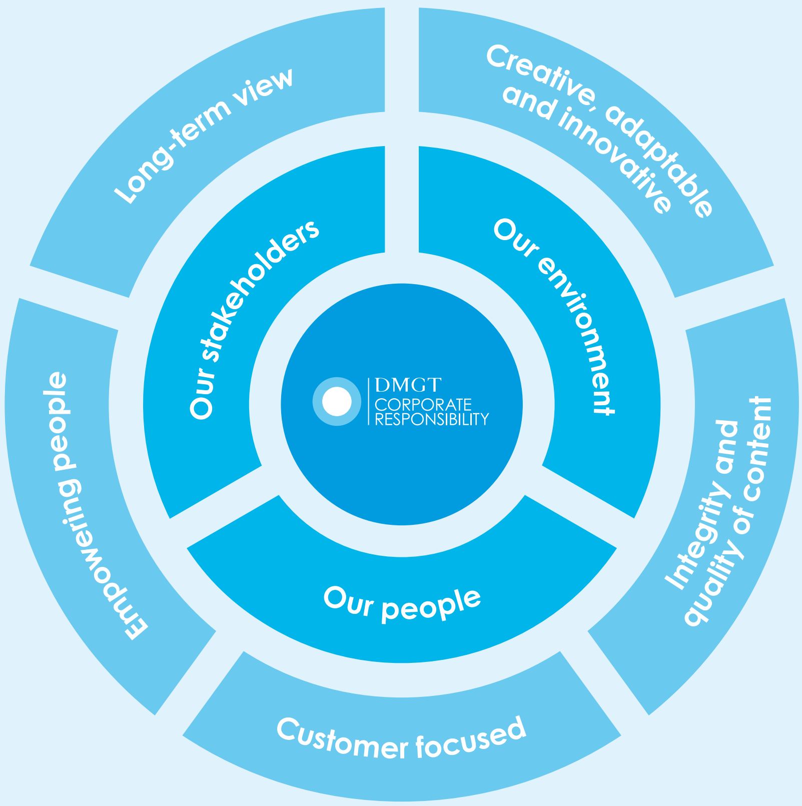
CR Committee

Our commitment to CR is led by the Board. Management of CR is delegated to the CR Committee, which defines and implements our CR agenda and activities. This Committee was chaired by David Dutton, an Executive Director, during the financial year. Each operating business is represented on the CR Committee. This enables us to consider and recommend the Group's CR strategy and to evaluate risk exposure, monitor progress, share best practice and provide guidance. The DMGT Assistant Company Secretary is Secretary to the Committee.

From 1 October 2013, the Committee's membership consists of Claire Chapman (Chairman), David Dutton, Stephen Daintith, Rebecca Beistman (Risk Management Solutions (RMS)), Annemarie DiCola (dmg information), Galen Poss (dmg events), Colin Jones (Euromoney) and Paul Collins (dmg media).

Our approach

Our values and our CR approach are inextricably linked. We apply our values to our CR activities and consider these in the decisions we make. This strategy has been in place for many years and is why we place CR at the heart of how we operate.



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CR Committee – Membership

Membership of the CR Committee is shown in the table below:

CR Committee member	Business	Job titles	Meetings attended
David Dutton	DMGT	Executive Director	4
Stephen Daintith	DMGT	Finance Director	4
Kathrina FitzGerald	DMGT	Strategy Development Director	3
Peter Duffy	DMGT	HR Director	1
Claire Chapman	DMGT	General Counsel & Company Secretary	3 (Joined 29/10/2012)
Robert Muir-Wood	RMS	Chief Research Officer	3
Stephen Stout	dmg information	CEO, Landmark Information Group	2 (Left 02/05/2013)
Annemarie DiCola	dmg information	CEO, Trepp	1 (Joined 02/05/2013)
Galen Poss	dmg events	COO	3 (Joined 24/01/2013)
Gerard Strahan	Euromoney	Director	4 (Left 17/09/2013)
Paul Collins	dmg media	Group Financial Controller	4
Ian Hanson	dmg media	CEO, Evenbase	1 (Left 17/09/2013)
Rick Stunt	dmg media	Group Paper Director	2
Paul Phelan	dmg media	Group Facilities Manager	4

Attendance

There were four CR Committee meetings held in the reporting period. All meetings were held at Northcliffe House.

Key responsibilities

The Committee's key responsibilities are to set the Group's CR strategy, to have an overview of CR issues, to develop and protect the reputation of DMGT as an ethical and responsible corporate citizen, and to ensure that the Company has a positive social impact on its stakeholders and the community at large. To this end its remit, which can be found on the DMGT website, is divided into three areas:

Environment

- To make recommendations on issues such as carbon offsetting and manage carbon credit initiatives.
- To monitor areas where significant waste occurs within the Group and identify improvements.
- To monitor and report on the companies' purchasing procedures in areas where sustainability is a major consideration (principally newsprint).
- To monitor and review legislative, regulatory, governmental or similar developments (including proposals for participation in non-mandatory third party initiatives) relating to environmental issues.
- To recommend and set environmental targets (including the Group's Carbon Footprint target), to report on and monitor carbon/energy usage abatement measures taken by DMGT businesses.

Our people

- To monitor and assist 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.

Stakeholders

- To monitor and assist the spread of best practice across DMGT businesses to achieve a fulfilled and engaged workforce and an honest, reliable and trusted relationship with our employees, suppliers and customers.
- To encourage an exchange of ideas between Group companies.
- To promote involvement of our businesses/employees within their local communities including the promotion of relevant and allied charitable activities.
- To oversee the preparation of the Corporate Responsibility Review in the DMGT Annual Report.

1. Environment

We recognise, and are progressively reducing, our impact on the environment by lowering emissions, using energy more efficiently and minimising waste. This behaviour has business, as well as environmental, benefits.

The most significant environmental impact comes from the printing plants in our consumer media businesses. Over the last three years we have reduced the number of plants from eight to two. Our newest plant, Thurrock, has been designed to be as efficient as possible, to produce more newspapers using less energy and is therefore less harmful to the environment.

While the majority of DMGT's environmental impact resides at the consumer media business, we are not complacent at our other businesses. We encourage the businesses to be responsible through the CR Committee. The CR Committee also provides a forum to share experiences of initiatives that have been successful and that can be replicated at another business. For example, the DMGT Polar Bear, an initiative to encourage employees to consider their impact on the Group's carbon footprint. Beginning at DMGT level, this initiative is now being embraced at each of the businesses. An example of how this works in reverse is 'RMS Green Week', a week of environmentally focused activities that encouraged staff to be aware of their impact. Following action proposed by the CR Champions network and approved by the CR Committee, the Group will run a Group wide version of RMS' Green Week in 2014.

Strategic Report

Corporate Responsibility Review

Continued

Key activities

The Committee's key activities are summarised in the table below, over the last five years, during 2013 and our aims for the year ahead.

	Environment		Our people		Stakeholders	
Last five years	Aim: To reduce our carbon footprint by 10% between 2007 and 2012	Result: Reduced our footprint by 10% (by 2010) two years earlier than target	Aim: Establish a network of individuals actively involved in CR on a day-to-day basis and which represent each operating company	Result: CR Champions network established and flourishing	Aim: Maintain place in FTSE4Good index	Result: Place maintained
2013	Aim: Ensuring we have the tools in place to collect and report our GHG emissions in line with new guidelines	Result: Relevant data gathered and reported	Aim: Launch an awards scheme to recognise the community minded initiatives DMGT staff have been involved with	Result: • Awards launched • Nearly 100 nominations received across the Group	Aim: Alter how we collect and report charitable donations (amount raised as well as amount donated) to give the businesses and staff well deserved recognition	Result: Revised data collated and reported for FY2013
2014	Aim: To continue to encourage DMGT employees to be aware of their impact on the Group's carbon footprint Green Week to be implemented across our business	Success factors: • Polar Bear awareness campaign continued to be rolled out across the Group; and • Green Week implemented Group-wide	Aim: Community Champions Awards (CCA) to be refined with more focused categories (Personal Achievement, Team and Green). More nominations at each DMGT Group business to be encouraged	Success factors: • Nominations in excess of 100 received • Nominations from all Group businesses • Enhanced promotion of CCA activities	Aim: Review of suppliers' CR credentials and how they are evaluated at the operating businesses	Success factors: • Prepare and implement review

Carbon footprint

The DMGT Chairman, Lord Rothermere, started a project to measure the Group's global carbon footprint in 2007, long before it became a requirement to do so. Since then we have published two specific reduction targets. We met the first, two years early, and we are a year into the second. Combined, these targets aim to see our Footprint reduced by more than 20% in eight years.

We are, and have for many years been, committed to comprehensive and transparent reporting of our environmental performance. We have adapted how we report on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. These sources fall within our consolidated financial statements with the exception of associates, Zoopla Property Group, Local World, Xcelligent and ARC, as we do not have responsibility for their emissions.

For the seventh year in succession we have collected CO_2 emissions data from each of our five businesses. This data is collated and independently reviewed by the environmental consultancy, ICF International.

In 2012 we integrated our carbon data collection process with our financial reporting systems. This is now well established and administration of quarterly reporting of emissions data has been streamlined and data reliability has been improved. Our emissions are calculated following the Greenhouse Gas Protocol.

Under a targeted approach, our Carbon Footprint is expressed in the tonnes of carbon dioxide equivalent and includes all the Kyoto Protocol gases that are of relevance to our business. Our Footprint covers emissions from all our global operations and the following emission sources: Scope 1 and 2 (as defined by the GHG Protocol), business travel and outsourced delivery activities.

Under a targeted approach, our Carbon Footprint continued to fall in 2013. Total CO_2 emissions (Scope 1, 2 and 3) stood at 67,600 tCO_2e (72,400 tCO_2e in 2012), a 7% decrease year-on-year.

Our Carbon Footprint has been restated for all years in order to account for material changes to the conversion factors provided by Defra. It has also been recalculated to take into account the sale of Northcliffe Media using the 'all-year' option defined by the GHG Protocol for a 'fixed base year' approach. Under the GHG Protocol, the Footprint does not have to be restated for closures of printing plants.

In 2012 we set a challenging new target for the Group. We stated that we planned to reduce our emissions per £million of revenue over three years by 10%, using 2012 as the baseline. The 2012 amount was 41.5 tCO_2e /£million revenue (based on the restated emissions) therefore targeting a 10% reduction to 37.3 tCO_2e /£million revenue by 2015. The 2013 amount was 38.6 tCO_2e/£million revenue, a 7% reduction on 2012 levels.

The table below shows the evolution of our Carbon Footprint since 2007.

2. Our people

We recognise that only by empowering our people will we succeed in delivering on our strategy. We understand that having a well balanced and diversified group of people is key to meeting our goals.

We uphold equal opportunities and also do not discriminate. Our businesses are required to follow DMGT policies that safeguard the welfare of our employees. More information about our people can be found on pages 34 and 35.

3. Stakeholders

We recognise that stakeholders increasingly choose to work with companies which share their values and which act responsibly.

Our businesses play a huge part in their local communities and have a direct and immediate impact. Last year the Group donated £1.3 million and raised over £1.1 million for charity. There are countless examples of how our employees have been involved in charitable initiatives, too many to list.

Last year we recognised that these good deeds deserved to be celebrated and rewarded by DMGT. We started a scheme called the DMGT Community Champions Awards. The aim was to highlight the big hearted actions of our employees and fittingly, the scheme was represented by a big heart logo. On Valentine's Day 2013 we announced the winners and they were invited to a dinner at DMGT HQ (except a US winner for whom a dinner in New York was held). The Awards were presented by Lord Rothermere. A donation was made to the winners' charities and their achievements were publicised throughout the Group. The scheme was such a success the CR Committee decided that it should become an annual event.

This Awards scheme shows how we celebrate and reward individuals that share our common values of being close to our markets, knowing and understanding their communities and giving back. For the 2013 scheme we have added a category to encourage employees to promote our green agenda (see KPIs on pages 22 and 23 and the environment section on pages 31 and 32.

Community Champions Awards

Lord Rothermere hailed the winners of the inaugural DMGT Community Champions Awards at a celebratory dinner in London in April 2013. He presented prizes for personal achievement (Orson Francescone and Catherine Ngai, both from Euromoney), fundraising (Jeff Partridge, dmg media), team (dmg media Movember network) and innovation (Yvette Cooper, dmg media).

The DMGT Chairman praised the exceptional lengths the winners had gone to, to support community initiatives and raise money for their chosen charities:

"I am full of admiration for you as winners of these awards. It is great that there are so many people across DMGT who care about good causes and are participating in their communities beyond work", Lord Rothermere said.

Carbon Footprint

	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	7,500	54,500	22,800	47.5
2008	7,500	53,800	21,800	44.2
2009	7,700	48,100	21,000	43.3
2010	6,900	42,900	21,100	41.6
2011	7,400	41,800	22,300	40.9
2012	7,400	40,100	24,900	41.5
2013	7,000	33,800	26,800	38.6

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

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People

One of our five strategic priorities is to attract, motivate and, importantly, develop our employees. They are encouraged to think creatively, be entrepreneurial and innovative, to deliver organic growth and ensure we are always at the forefront of technological development. By being a decentralised business 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, and therefore to the greater benefit of the Group as a whole.

Training and development

We understand that to deliver our strategic ambitions (see pages 8 and 9), we need to develop our employees and reward them accordingly.

There is a large and varied number of training initiatives in operation around the Group. A selection of these are highlighted below.

- Leadership Development Programme. This is a 10-day course, split into two offsite sessions held at the University of Cambridge and run jointly by the Company and the Moller Executive Education Centre. There are additional follow-up initiatives. This is designed to enhance the leadership skills of our senior executives with a particular emphasis on driving the right behaviours and culture of our leaders throughout the Group.
- Technology summer school. This is a forum for 'technologists' around the Group to come together to share ideas, collaborate and hear talks from external experts and senior DMGT Executives.
- Hackathon: this brings together groups of people from our businesses to collaborate on creative technical solutions.
- Graduate programmes at each business.
- CR Champions network. These are individuals who have been recognised as championing CR initiatives at their businesses. They are tasked with coming together to share best practice, to communicate DMGT's CR campaigns and are recognised for their efforts.

Communications/engaging with our people

We have focused on communicating, concentrating on employee engagement to ensure that despite our decentralised approach, we have a common culture and can share the experiences that are important to us all. Key channels DMGT has in place and that are used to inform, enthuse and inspire our people are:

- Coffee with Martin – a blog from DMGT Chief Executive Martin Morgan.
- DMGT Home – the Group intranet/app that displays Group policies, news stories, awards won and CR information.
- Chatter – a business networking tool for sharing ideas, notices and best-practice.
- DMGT Daily – a daily digital newsletter containing news relating to the sectors in which our businesses operate as well as significant Group news.

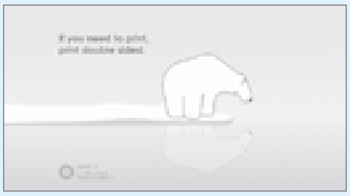
Culture

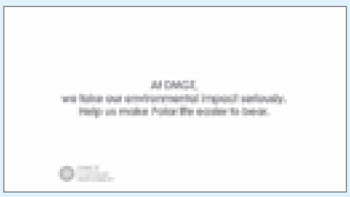
As with our strategic ambition to be a well diversified Group, each of our businesses has a distinct culture consistent with the Group's overall values. We encourage and support their different approaches and back the leaders of each business with an agreed framework of financial and other controls. We appreciate that they understand and know what is best for their businesses, their people and their communities. Our diversified nature means that our employees are located throughout the world. At Group level we have a small head office team, based in London, that provides the businesses with expertise and experience. We encourage synergies between our businesses and relationships between our people but do not seek them out where they are not relevant. In this way, we adopt an approach that shares best practice across our businesses and at the centre.

Running through the Group is a sense of belonging that stems from our distinct ownership structure (see Governance section on pages 40 to 43). 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.

DMGT Polar Bear

To support our efforts to reduce the Group's Carbon Footprint, we developed the DMGT Polar Bear:





Gender diversity

We have collected information regarding the diversity of our employees on a Group wide basis for the first time this year. The table below sets out the gender breakdown of our employees.

Gender diversity

	Male	Female
Number of Board Directors	13	2
Number of Senior Executives (excluding Board Directors)	46	13
Number of employees (excluding Senior Executives and Executive Board Directors)	5,599	3,747
Total	**5,658**	**3,762**

The Senior Executives consist of our Strategy Development Director, Group Director of HR, Deputy Finance Director, General Counsel & Company Secretary, Group Reward Director and Head of Management Information & Investor Relations. These individuals are all part of DMGT's small head office team. This category also includes the CEOs of the Group's operating businesses and their direct reports.

Collectively, men make up 60% and women 40% of the total DMGT Group.

DMGT's Equal Opportunities policy explicitly states that DMGT is an equal opportunity employer. Decisions made at our businesses must be based on merit irrespective of gender.

Social and community

We strive to maintain the highest standards and expect each employee to adhere to our Group policies, codes and principles. These are all available on our internal staff website, DMGT Home, and 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.

Human rights

We are aware of the human rights frameworks such as the UN Convention on human rights and the Human Rights Measurement Framework. We have carried out a high level review of our businesses in the context of these frameworks and believe that our exposure to the associated risks are minimal. To formalise this process in 2014, we are aiming to carry out a review of supplier policies at Group businesses (see key activities table on page 32) to ensure that our suppliers operations reflect the practices that we adhere to.

Employees

The Company is committed to a policy of treating all its colleagues and job applicants equally and to increasing the involvement of colleagues through engagement activities.

In keeping with the Group's decentralised management approach, it is the responsibility of the management in each business to encourage the involvement and participation of employees in their company. The methods used vary from company to company, but the linking of performance targets of a significant portion of remuneration is one widely used means.

We are committed to the employment of people with disabilities and will interview those candidates who meet the minimum selection criteria. We provide training and career development for our employees, tailored where appropriate to their specific needs, to ensure they achieve their potential. If an individual becomes disabled while in our employment, we will do our best to ensure continued development in their role, including consulting them about their requirements, making appropriate adjustments and providing suitable alternative positions.

Supporting entrepreneurialism – Chairman's Fund for Innovation and Growth

To strengthen the culture of innovation, product development and entrepreneurialism across the Group and to provide access to, and exposure to, talented individuals outside the Group, under the direction of the Chairman, a special fund has been established. This enables the investment in innovative commercial opportunities in the digital media and information space, supportive of the Group's overall strategy. Several investments ranging from £500,000 to £2 million have been made.

CR Champions

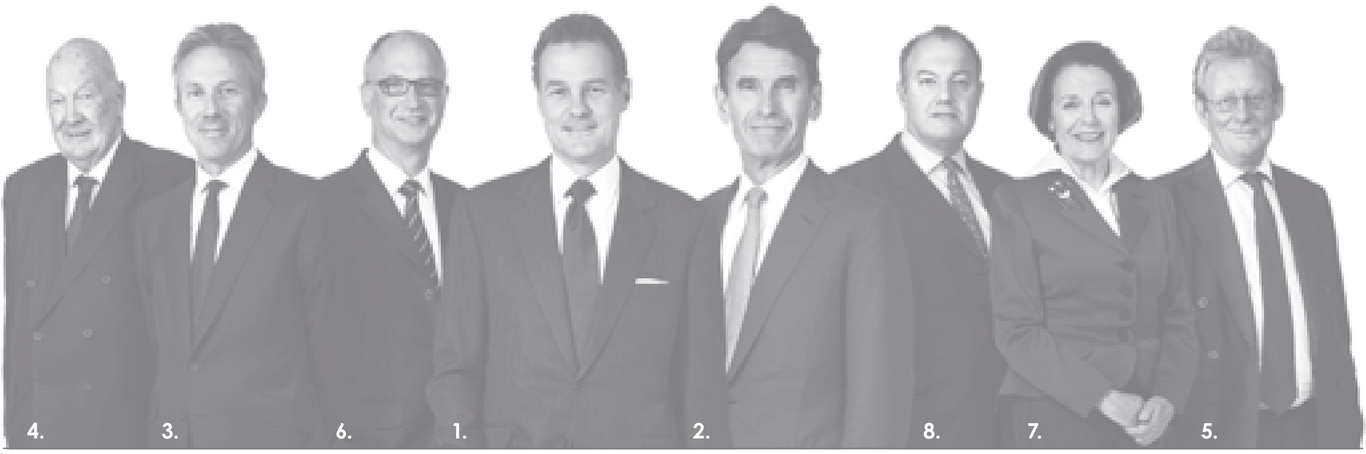
Our CR Champions lead and drive the CR agenda within their own organisations

A group of over 35 individuals called CR Champions represent Group businesses and meet by conference call each quarter to discuss CR at a grassroots level.

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

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

Board of Directors



1. The Viscount Rothermere †‡x
Chairman

Appointed to the Board: 1995

Skills and experience:
Lord Rothermere has been Chairman of DMGT and a Non-Executive Director of Euromoney Institutional Investor PLC since 1998.

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.

2. M W H Morgan x §
Chief Executive

Appointed to the Board: 2008

Skills and experience:
Martin Morgan was appointed Chief Executive of DMGT in 2008. He sits on DMGT subsidiary company boards, including Euromoney Institutional Investor.

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. He joined the City of London Investment Trust as a Non-Executive Director in 2012.

3. S W Daintith x §
Finance Director

Appointed to the Board: 2011

Skills and experience:
Stephen Daintith was appointed Finance Director of DMGT in 2011. He was also appointed to the Audit Committee of Euromoney Institutional Investor PLC. In 2013 he was made a Director of Zoopla Property Group.

Prior to that, Stephen 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.

4. J G Hemingway*†x
Non-Executive Director

Appointed to the Board: 1978

Skills and experience:
John Hemingway has recently surrendered the 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.

5. D J Verey, CBE*§
Independent Non-Executive Director

Appointed to the Board: 2004

Skills and experience:
David Verey is Chairman of the Audit Committee. David is an Investment Adviser and Corporate Finance Adviser. He is currently Senior Adviser at Lazard, lead Non-Executive Director of the Department of Culture, Media and Sport, Non-Executive Director of Sofina SA, a Member of the Supervisory Board of Bank Gutmann and Chairman of The Art Fund. He was at Lazard for 30 years and served as Chairman and Chief Executive for the last 10. He then moved to Cazenove Group plc as Deputy Chairman and from there to Blackstone Group UK as Chairman.

6. K J Beatty
Executive Director

Appointed to the Board: 2004

Skills and experience:
Kevin Beatty 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 Managing Director of Northcliffe Newspapers. He is a board member of the Newspaper Publishers Association and a Non-Executive Director of PA Group.

Kevin also serves on the Board of Zoopla Property Group and Local World.

7. Lady Keswick
Independent Non-Executive Director

Appointed to the Board: 2013

Skills and experience:
Lady Keswick has a background in public policy and international affairs, particularly in Asia.

Tessa Keswick is Deputy Chairman of the Centre of Policy Studies. She 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 had previously worked in advertising and journalism.

She has contributed to, commissioned and published over 100 public policy pamphlets on the European Union, the Constitution, law and order, education, health, tax and regulatory affairs and women's issues. She has an interest in foreign affairs and now travels extensively, particularly in China and the Far East.

8. D H Nelson, FCA* † ‡ x
Non-Executive Director

Appointed to the Board: 2009

Skills and experience:
David Nelson 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.

9. N W Berry* † ‡
Independent Non-Executive Director

Appointed to the Board: 2007

Skills and experience:
Nicholas Berry is owner of Mintel International, Intersport Switzerland Psc and Chairman of Stancroft Trust. He has wide ownership experience in B2B media and in emerging markets.

10. A H Lane
Non-Executive Director

Appointed to the Board: 2013

Skills and experience:
Andrew Lane is a partner at Forsters LLP and specialises in private client law. He brings a range of experience of dealing in complex legal and regulatory matters.

He is additionally a Trustee of the Pension Fund of the Royal Agricultural Society of England.

11. D M M Dutton x §
Executive Director

Appointed to the Board: 1997

Skills and experience:
David Dutton joined the Group in 1970. He is Chairman of dmg information and serves on the boards of RMS, Evenbase, Hobsons and Landmark Information Group. He also serves as the Non-Executive Chairman of Zoopla Property Group, Artirix Ltd, and Ecctis Ltd.

David founded Pizzaland in 1970. He was a founder and Managing Director of Trevian Holdings Plc, a property development company.

12. P M Dacre
Executive Director

Appointed to the Board: 1998

Skills and experience:
Paul Dacre joined the Group as US Bureau Chief in 1979. Appointed Editor of the Evening Standard in 1990, he has been Editor of the Daily Mail since 1992 and Editor-in-Chief of Associated Newspapers since 1998, years which saw the launches of Metro and MailOnline.

13. H Roizen §
Independent Non-Executive Director (American)

Appointed to the Board: 2012

Skills and experience:
Based in Silicon Valley, Heidi Roizen's experience includes digital media, entrepreneurial growth, and business development in both public and private companies in the US. She teaches Entrepreneurship at Stanford University. Heidi serves on the boards of TiVo Inc and numerous venture-backed technology companies. She is a Venture Partner with global investment firm DFJ and 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.

She was appointed to the advisory board of MailOnline in 2013.

14. F P Balsemão †
Independent Non-Executive Director (Portuguese)

Appointed to the Board: 2002

Skills and experience:
Based in Portugal, Francisco Balsemão serves as the President at Impresa Group and Chairman of IMPRESA, SGPS. He was formerly Prime Minister of Portugal and in 2005 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.

15. D Trempont*
Independent Non-Executive Director (American)

Appointed to the Board: 2011

Skills and experience:
Based in California, Dominique Trempont has been an Executive and board member in large multinational high-tech companies and start-ups. He is currently on the boards of three US public companies, focusing on disruptive technologies, emerging markets and Asia. He is also on the board of on24, the emerging leader in webcasting and virtual shows, and Trion Worlds, the leading publisher and developer of premium multi-user games. Dominique was also on the board of 3Com, a global networking solution company.

He was appointed to the RMS operating Board in 2013.

C Chapman §
General Counsel & Company Secretary
Claire acts as Secretary to the Board.

Key of DMGT committees

- * Member of the Audit Committee
- † Member of the Nominations Committee
- ‡ Member of the Remuneration Committee
- x Member of the Investment and Finance Committee
- § Member of the Risk Committee

T S Gillespie
Mr Gillespie retired from the Board at the AGM on 6 February 2013.

D J Verey
Mr Verey will retire from the Board with effect from the AGM on 5 February 2014.

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Directors' Report

Chairman's Statement on Governance

In this section:

Chairman's Statement on Governance

Good governance remains core to the way we operate throughout the Group. It is an essential factor in our ability to achieve growth in a profitable and sustainable manner and in how we maximise Shareholder value over the long term. In practice this means that we have established parameters and frameworks within which our businesses operate.

Share structure and shareholding

The Company has two classes of share capital:

- Ordinary Shares (representing approximately 5% of the total issued share capital of the Company), which were tightly held, illiquid and had a limited free float.
- A Shares (representing approximately 95% of the total issued share capital of the Company), which are widely held and traded.

As announced by the Company on 1 July 2013, Rothermere Continuation Limited (RCL) entered into an agreement with The Esmond Harmsworth Settlement 1998 (EH) pursuant to which EH agreed to transfer all of its 5,835,031 Company's Ordinary Shares to RCL in exchange for 6,564,409 of the Company's A Ordinary Non-Voting Shares (A Shares) owned by RCL. The exchange was at a ratio of 112.5 A Shares for every 100 Ordinary Shares. That exchange was completed on 12 July 2013 and resulted in RCL owning 89.2% of the Ordinary Shares.

Prior to this transaction, both the Ordinary Shares and the A Shares were listed on the London Stock Exchange. The A Shares had a standard listing and the Ordinary Shares had a premium listing. The Ordinary Shares and the A Shares rank pari passu in all respects, save that only the Ordinary Shares carry the right to receive notice of, or attend, or vote at any general meeting.

Following the Financial Conduct Authority (FCA) consultation paper (CP 12/25) issued in October 2012, the Independent Directors of the Company and the directors of RCL considered that there was a risk that the FCA would downgrade the listing status of the Ordinary Shares from premium to standard or cancel the listing of the Ordinary Shares altogether. Consequently, RCL, pursuant to a Court Approved Scheme of Arrangement (Scheme), offered to acquire from the remaining c.11% DMGT Ordinary shareholders their Ordinary Shares in order to provide them with the opportunity to hold the significantly more liquid DMGT A Shares. This Offer was accepted by the Ordinary shareholders on 3 October 2013 and approved by the Court on 28 October 2013. RCL now owns 100% of the Ordinary Shares.

Consequently, the Company applied to delist the Ordinary Shares. This became effective on 29 October 2013. The Company therefore maintains a standard listing in respect of its A Shares.

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 the Lord Rothermere and his 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 Lord Rothermere and John Hemingway.

RCL has held more than 50% of the Company's Ordinary Shares, and has therefore controlled the Company, for many years. RCL's holding of 100% of the Company's Ordinary Shares pursuant to the Scheme will not affect its intention that the Company should continue to be managed in accordance with the best corporate governance practice for the benefit of all shareholders, as has been the case throughout the period of RCL's control.

In particular, it is RCL's 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.

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.

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 36 and 37, including membership details of each of our Board Committees.

The Viscount Rothermere
Chairman

Directors' Report

Annual General Meeting 2014: Resolutions

The Company's Annual General Meeting (AGM), will be held at 9.00 am on 5 February 2014.

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 2013.

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 and Accounts for the financial year ended 30 September 2013.

   (b) To receive and approve the Directors' Remuneration Policy set out on pages 60 to 66 of the Directors' Remuneration Report contained within the Annual Report and Accounts for the financial year ended 30 September 2013, such Directors' Remuneration Policy to take effect from the date of its adoption.

Dividend

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

Directors

4. That a motion for the appointment of two or more persons as Directors of the Company may be made by a single resolution.

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

6. To elect Mr Lane and Lady Keswick as Directors.

Auditor

7. To re-appoint Deloitte LLP as Auditor.

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

Article 138

9. That the amount of ordinary remuneration that the Company may pay to Directors who do not hold executive office pursuant to Article 138 of the Company's Articles of Association be amended such that it shall not exceed £1 million per annum.

As special business

10. 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 37,384,334 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 20 at the AGM on 6 February 2013 shall be of no further force or effect.

11. 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 £2,336,521 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 7 May 2014 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.

12. 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 11 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 7 May 2014, 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 £2,336,521.

Notice

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

Directors' Report

Corporate Governance

Governance in action

During 2013 strategy has remained a key focus for Board discussions, building on the strategy session held in July 2012, with follow up reviews and Board discussions on each topic identified and subsequent further in depth reviews on each of our operating businesses.

Board

The Chairman, alongside the Executive Directors, has established Board processes designed to maximise the Board's performance. Key aspects of these are:

- Meetings are scheduled to ensure adequate time for discussion of each agenda item for that particular meeting;
- Reporting packs are distributed in advance of each meeting;
- Board discussions are held in a collaborative atmosphere of mutual respect and open discussion allowing for questions, scrutiny and constructive challenge;
- Full debates on key matters allow decisions to be taken by consensus (dissenting views would be minuted);
- There is a process for regular updates on decisions taken;
- Presentations are made to the Board from the operating businesses and functional areas at each Board meeting on a rolling programme;
- All Directors have access to the Company's advisers as well as management;
- Directors have access to the advice and services of the Company Secretary; and
- Each Director is entitled to seek independent professional advice at the Company's expense (none was taken in this period).

Board composition and diversity

We have continued to focus on the composition of the Board during 2013 to ensure that we have the right mix of members to contribute effectively to the development of our strategy and how we operate. I was pleased to welcome Andrew Lane as a new Non-Executive Director in February 2013. Andrew brings a range of experience of dealing in complex legal and regulatory matters. On 23 September 2013, the Hon. Lady Keswick joined the Board as an Independent Non-Executive Director. She brings particular experience and knowledge of Asia to the Board.

The Board remains supportive of the principles stated in the Davies Report. Our view remains that diversity is broader than just gender and considers 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 review on page 47.

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 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. I remain satisfied that we continue to operate in accordance with the highest 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. Since our last report, the composition of the Audit Committee and the service contracts of the Executive Directors are now Code compliant.

Information required under DTR 7.2.6 is provided on pages 48 to 50 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

UK Corporate Governance Code compliance

Provision	Code principle	Explanation
A4.1	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. Not withstanding this, David Verey acted as Chairman of the Independent Directors of the Board during the process to successfully conclude our Scheme of Arrangement permitting RCL to acquire the remaining Ordinary Shares not owned by RCL.
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 two. More details are set out in the Remuneration Report on page 68.

expenditure, 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/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 44 to 47.

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 Head of HR, 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 across the Group. In this reporting period talent development across the Group was a key area of focus.

Board attendance

There were five scheduled Board meetings held in the reporting period. All meetings were held at Northcliffe House. Each year the Board holds a meeting where the specific focus is on our strategy. This was held in July 2013.

In addition, the Committee of Independent Directors met regularly whilst considering the execution and implementation of the Scheme of Arrangement discussed on page 38.

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 its effectiveness and overseeing the 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.

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 the Committee's activities at each Board meeting.

Independence

The Board has determined that Mr Balsemão, Mr Verey, Mr Berry, Mr Trempont, Ms Roizen and Lady Keswick are independent within the meaning of the Code. Mr Balsemão has been on the Board for 11 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.

Mr Verey, who will have served for 10 years on the Board at the time of the 2014 AGM, has announced his decision not to seek re-election. The Board recognises the significant contribution that he has made, bringing a unique perspective on a range of matters.

Mr Hemingway is not considered independent as he is a director of RCL. Mr Nelson and Mr 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 and the Board evaluation process noted separately in this Report:

- 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. Andrew Lane and Lady Keswick were appointed to the Board on 6 February 2013 and 23 September 2013 respectively. Further details are in the Nominations Committee report on page 47.
- 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 36 to 37. 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 with effect from 1 January 2013 and Heidi Roizen to the MailOnline Advisory Board with effect from 1 March 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 2014 AGM.
- Board members have visited operating businesses during the year, as part of Directors' ongoing development. In particular, certain Non-Executive Directors attended dmg information's Senior Executive conference, held in Arizona, as well as visiting individual companies, such as EDR, Hobsons and Genscape, in the US.

Evaluation

In 2013, the Board undertook a review of its own performance and those of its Committees, which built on the results of the 2012 review. The review was conducted through an internal process facilitated by the Company Secretary. It was determined that an internal review was appropriate for 2013 given the corporate structure changes page 38. A questionnaire was completed by all Board members covering the following areas:

- Mandate;
- Membership;
- Mission;
- Motivation;
- Methods;
- Monitoring; and
- Measurement.

Directors' Report

Corporate Governance

Continued

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.

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 on the activities of these Committees are on pages 44 to 46 respectively.

Internal controls

The Board has overall responsibility for establishing and maintaining the standards for the Group's 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 operating businesses described on pages 12 to 21 having autonomy as regards its operation and establishment of internal controls appropriate to their business. Oversight is provided by the central management team reportable to the Board. Certain functions are undertaken centrally, notably newsprint buying, insurance, treasury, tax, pensions and risk and assurance (including internal audit).

The chief financial officers, or equivalent, of the operating businesses certify annually the operation of the key financial controls. The Board also receives assurance from the Audit Committee, which derives its information, in part, from regular internal audit reports and external reporting and from the Risk Committee, which receives regular risk and assurance updates.

Internal Audit

The Group's internal Risk and Assurance (R&A) function reports centrally with responsibility for reviewing and providing assurance on the operation and adequacy of the internal controls environment across the Group's operating businesses. The Head of Risk and Assurance reports on the R&A reviews, and the follow-up on past reviews, to both the operating business management and the Audit Committee, on a regular basis. The Head of Risk and Assurance also reports to the Audit Committee on the progress against the agreed internal audit plan. R&A works cooperatively with the external auditor (Auditor) to ensure that there is efficient coverage of internal controls.

The R&A team also coordinates with a number of the operating businesses which undertake internal controls assurance reviews within their respective businesses.

In addition to the regular reviews in the annual R&A plan:

- an annual bribery and fraud risk assessment review is completed by each operating business, detailing risks and mitigating controls which are reviewed by the R&A team; and
- each operating business confirms the operation of key internal financial controls to the Group Accounting department, which in turn reports to the Finance Director.

In each case, the R&A team review and follow-up these submissions, as appropriate.

Financial information

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

Senior Accounting Officer sign off

The HMRC Senior Accounting Officer (SAO) is required 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. As a result, Group Tax has implemented a controls questionnaire and performed a series of controls reviews across the UK businesses. The Finance Director is the SAO.

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 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 to be appropriate.

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

Risk and Assurance

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 and 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 28 and 29.

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 respects of the Investment and Finance Committee's activities are on page 46.

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 the Group wide input into the Annual Report and Accounts is a specific project, with defined timeframes, which runs alongside the formal audit process undertaken by the 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 and Accounts;
- a verification process in respect of the factual context of the submissions 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 and Accounts.

Relations with shareholders

Any concerns raised by shareholders in relation to the Company and its affairs are communicated to the Board through regular briefings. Analysts' 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.

During the year there were regular meetings with and presentations to institutional shareholders in the UK, US and Canada to communicate the strategy and performance of the Group. Two investor days were held, where the focus was on our consumer media business, dmg media in April, and our B2B businesses, dmg information, RMS, and dmg events in September. The Chief Executive, Finance Director and senior management from the operating businesses led the presentations which gave an in depth view of the respective operating businesses and their performance. The Company's website provides the latest news and historic financial information, details about forthcoming events for shareholders and analysts and other information regarding the Group. Please see www.dmgt.com.

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, at www.shareview.co.uk. Shareholders can additionally register for email alerts at www.dmgt.com.

Board Committees

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

- the General Counsel & Company Secretary to the Audit, Nominations and Investment and Finance 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.

Corporate Responsibility (CR) Committee

Details in respect of the CR Committee are set out in the CR Review on pages 30 to 35.

Remuneration Committee

Details in respect of the Remuneration Committee are set out in the Remuneration Report on pages 51 to 70.

DMGT Board – Membership

Member	Member for the period	Meetings held	Meetings attended
Chairman The Viscount Rothermere	Yes	5	5
Chief Executive MWH Morgan	Yes	5	5
Finance Director SW Daintith	Yes	5	5
Executive Directors			
KJ Beatty	Yes	5	5
PM Dacre	Yes	5	5
DMM Dutton	Yes	5	5
Non-Executive Directors			
FP Balsemão	Yes	5	5
NW Berry	Yes	5	5
TS Gillespie	Left 06/02/2013	5	1
JG Hemingway	Yes	5	5
Lady Keswick	Joined 23/09/2013	5	1
AH Lane	Joined 06/02/2013	5	4
DH Nelson	Yes	5	5
H Roizen	Yes	5	5
D Trempont	Yes	5	5
DJ Verey	Yes	5	5

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Audit Committee Report

Audit Committee – Membership

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

Member	Member for period	Meetings held	Meetings attended
D J Verey (Chairman)	Yes	4	4
N W Berry	Yes	4	4
J G Hemingway	Yes	4	4
D H Nelson	Yes	4	4
D Trempont	Joined 21/11/2012	4	3

Audit Committee Report

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 to sustain achievement of its 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 steps is below.

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
- Overseeing the Group's relationship with the external auditor, Deloitte LLP (Auditor)
- Making recommendations to the Board on the appointment, retention and replacement of the 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 Risk and Assurance on the effectiveness of the internal controls, 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 Auditor

Key activities during the period

- The Committee reviewed the financial statements released by the Company, including the full year and half year results and interim management statements
- The Committee reviewed the financial trading updates, risks and financial controls, including, the key internal controls checklist report prepared by internal audit and considered actions arising and mitigating steps
- The Committee reviewed actions against the assurance plan and monitored management actions recommended. Additionally, the Committee approved the plan for the forthcoming year
- The 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 Auditor presented its plans for the interim review and the year-end audit and the Committee approved the scope of work to be undertaken. During the year, the Auditor presented its report on internal controls which provided a benchmark for additional improvements
- During the course of the year, the Committee met with the Auditor and the Head of Risk and Assurance without the presence of management
- The Committee received regular updates on the status of any litigation matters and trends across the Group

Governance

- The Company has determined to conduct a tender process for its Auditor following the full year 2014 audit. The Auditor has been providing audit services since 2001. The current audit partner was appointed in 2011 following the rotation of the previous audit partner
- The Committee confirmed that it had complied with its terms of reference throughout the year
- The Committee reviewed its membership and confirmed that it complied with the Code
- The Auditor's 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 prior year. No material issues were raised. As with any review process areas for improvement were agreed for future audits
- The Committee commissioned an external review of the Risk and Assurance department, which concluded that it was effective. It was agreed to more clearly delineate the boundaries of each of the audit and risk annual plans adopted by the Risk and Assurance function, to minimise the potential for overlap or gaps
- The Committee confirmed that in accordance with the provisions of the Code, each of David Verey and David Nelson 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 our business. 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;
- continue the progress made to date around internal controls, assessment and audit follow up plans; and
- continue to ensure that accounting developments are communicated to, and applied by, the Committee in line with best practice.

Auditor's independence, objectivity and non-audit services

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

- the Auditor does not act as a manager or employee of the Group;
- there is separation between the interests of the Auditor and the Group; and
- the 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 Auditor to maintain independence and objectivity. The findings are shared with the Committee. The Committee, having reviewed the report prepared by the Auditor on its relationships within the Group and the review by management, is satisfied that the Auditor's objectivity has not been impaired.

The Auditor is required to assess periodically that it, in its professional judgement consider themselves 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 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 remains appropriate, has been complied with and that the Auditor remains independent. Details in respect of the non-audit fees paid are in note 5.

The Committee has primary responsibility for making recommendations to the Board on the independence and reappointment of the Auditor.

The Auditor is required to adhere to audit partner rotation requirements, with the next review of the current audit partner being due no later than the end of the 2015 audit process.

The Committee has satisfied itself that the UK professional and regulatory requirements for audit partner rotation has been complied with. In light of the reviews undertaken and the satisfactory conclusions reached, the Committee has recommended that Deloitte LLP be reappointed for a further year at the 2014 AGM.

Significant and material issues

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

- 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;
- 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 Auditor the areas of significant risk identified by the Auditor (see pages 71 to 73) 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 accounting;
- revenue recognition;
- valuation, completeness and accounting for financial instruments;
- accounting for remuneration schemes;
- defined benefit pensions schemes measurements; and
- deferred tax recognition.

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 Verey
Audit Committee Chairman

Directors' Report

Corporate Governance

Continued

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
S W Daintith	Yes	11	11
D MM Dutton	Yes	11	11
J G Hemingway	Yes	11	11
A H Lane	Yes	11	11
M WH Morgan	Yes	11	11
D H Nelson	Yes	11	11

Key responsibilities

- Reviewing all acquisitions, disposals and capital expenditure within its remit
- Authorisation of the purchase by the Company of its own shares
- Review of matters pertaining to the financial affairs of the Company and its subsidiaries, including loans made to the Company, giving of any guarantee, approval of capital programmes
- Reviewing pension scheme management, and in particular oversight of the Pensions Sub-Committee activities

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
- 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 (see page 35)
- Oversight of the Company's share buy-back programme

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

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 WH Morgan (Chairman)	Yes	4	4
C Chapman	Joined 21/11/2012	4	3
S W Daintith	Yes	4	4
D MM Dutton	Yes	4	4
M Page	Yes	4	4
H Roizen	Joined 21/11/2012	4	3
D J Verey	Yes	4	4

Key responsibilities

- Consider and review the key risks pertinent to the Group
- Review the management and consequences, including mitigating factors, of those risks
- Recommend and oversee controls necessary to manage and mitigate such risks

Key activities

- Reviewing the Group's risk management processes, including reviews of the Group's risk register and providing updates on the same to the Board
- Reviewing operating businesses' information security and cyber resilience and overseeing development and implementation of the Group's information security policy and standards
- Reviewing the Group's business continuity and incident management processes
- Oversight and review of the Group's anti-bribery and fraud management and reporting processes
- Reviewing the results from the Group's health and safety review
- Specific project-related reviews including intellectual property and patents, data protection, changes to relevant legislation and analysing the Group impact, including media regulation

Governance

- Report to the Board on the Group's annual compliance position necessary for inclusion in the Annual Report including preparation of the Group's principal risks statement
- The Committee reviewed its membership and approved the recommendation that Martin Morgan 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	4
F P Balsamão	Yes	4	4
N W Berry	Joined 21/11/2012	4	3
J G Hemingway	Yes	4	4
D H Nelson	Joined 21/11/2013	4	3

Role and responsibilities

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

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 on succession planning in November 2012, which was facilitated by the Group HR Director.

Key activities

- Reviewing potential candidates for Board appointments. Andrew Lane was appointed on 6 February 2013 and Lady Keswick on 23 September 2013
- Discussing Board 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

Governance

- The Committee reviewed its membership and confirmed the explanatory statement 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 Mr Balsemão, Mr Berry, Mr Trempont, Ms Roizen and Lady Keswick remained independent in accordance with the Code provisions
- Reviewed the Report to Shareholders contained in the Annual Report and recommended it for approval by the Board

Other Committees

In addition, in recognition of the importance of a number of activities, the Group operates the following sub-committees:

Disclosure Committee

The Disclosure Committee was established on 5 July 2005 and its terms of reference were updated on 22 May 2013, to reflect best practice. It is a sub-committee of the Board.

The Disclosure Committee is responsible for determining when information is price sensitive and, if so, how and when the Company discloses it. In particular, for:

- managing and approving the Group's obligations in respect of disclosure of information, financial and other information;
- monitoring analysts' expectations and ensuring that there is alignment in the reported position;
- supervising the verification process for all announcements;
- monitoring the Group's performance against its own forecasts; and
- recommending appropriate training in respect of the handling of inside information and the Group's disclosure policy.

Pensions Sub-Committee (PSC)

On 17 December 2012, the Board approved the formation of the Pensions Sub-Committee of the Investment and Finance Committee.

The PSC is responsible for making recommendations to the Investment and Finance Committee regarding:

- the Company's policy on the investment and funding strategies for the Group's UK Defined Benefit Pension Schemes;
- significant changes to benefit policy, for example ceasing accrual of defined benefits;
- any proposal for de-risking of liabilities; and
- such other matters as may be delegated to it by the Board or the Investment and Finance Committee.

The Viscount Rothermere
Chairman

Directors' Report

Statutory Information

Other statutory information
Required information can be found in the Strategic Report and Accounts on pages 8 to 35, 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 30 to 35.

Forward-looking statements
This Annual Report and Accounts 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 Accounts and will not be updated during the year. Nothing in this Annual Report and Accounts should be construed as a profit forecast.

Tangible fixed assets and investments
The Company's principal subsidiaries are set out on page 168. 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.

Fair balanced and understandable
Each of the Directors considers that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Directors
The names of the Directors, plus brief biographical details are given on pages 36 and 37. Each Director held office throughout the year except Andrew Lane who was appointed to the Board on 6 February 2013 and Lady Keswick who was appointed to the Board on 23 September 2013. Tom Gillespie retired from the Board at the 2013 AGM. Padraic Fallon passed away on 13 October 2012.

In accordance with the UK Corporate Governance Code, all of the Directors will stand for re-election at the Annual General Meeting (AGM) on 5 February 2014.

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 8 to 35.

Results and dividends
The Group's Financial Statements for the year ended 30 September 2013 are shown on pages 71 to 178. The profit after taxation of the Group amounted to £212 million. After charging non-controlling interests of £23 million, the Group profit for the year amounted to £189 million. The Board recommends a final dividend of 13.30p per share. If approved at the 2014 AGM, the final dividend will be paid on 7 February 2014 to shareholders registered in the books of the Company at the close of business on 29 November 2013.

Together with the interim dividend of 5.900p per share paid on 5 July 2013, this makes a total dividend for the year of 19.20p per share (2012 – 18.000p).

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 67.

There have been no changes to the number of shares held by Directors between 30 September 2013 and 4 December 2013.

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 Ordinary Shares held by the Trust. At 30 September 2013, the Trust's shareholding totalled 275 A Shares. Between 30 September 2013 and 4 December 2013 the Trust transferred no A Shares to satisfy the exercise of awards under employee share plans.

Significant shareholdings
As at 4 December 2013, 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 Ordinary Non-Voting Shares other than those shown in the Remuneration Report on page 67.

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 Shares are entitled to receive the Company's Report and Accounts, to attend and speak at General Meetings and to appoint proxies and exercise voting rights.

During the year, the Company transferred 4.8 million shares out of Treasury, representing 1.3% of called up A Shares, in order to satisfy incentive schemes. The Company holds 20,412,954 shares in Treasury with a nominal value of £2.6 million. The maximum number of shares held in Treasury during the year was 20,412,954 which had a nominal value of £2.6 million.

The Company also purchased 4.7 million A Ordinary Non-Voting Shares for holding in Treasury having a nominal value of £0.6 million in order to match obligations under various incentive plans. The consideration paid for these shares was £31 million. Excluding the share buy-back programme, shares purchased during the year represented 1.3% of the called up A Share capital as at 30 September 2013.

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

As described on page 38, with effect from 29 October 2013, Rothermere Continuation Limited (RCL) owns 100% of the Ordinary Shares.

Authority to purchase shares
At the Company's AGM on 6 February 2013, the Company was authorised to make market purchases of up to 1,988,000 Ordinary Shares (representing approximately 10.0% of the Ordinary Shares in issue.

In addition, also at the Company's AGM on 6 February 2013, the Company was authorised to make market purchases of up to 37,308,365 A Shares (representing approximately 10% of the total number of A Shares in issue.

During the period, 29 November 2012 to 28 June 2013, under the share buy-back programme the Company purchased 10,357,391 Shares into Treasury, at a total cost of £68.5 million (see note 37).

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

The Company's Auditor, Deloitte LLP, has indicated its willingness to continue in office and, in accordance with section 489 of the Companies Act 2006, a resolution proposing the reappointment of Deloitte LLP will be put to the AGM on 5 February 2014.

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 Treasury and Finance Review on pages 24 to 27 and in the notes to the accounts on page 81.

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 and Accounts.

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 8 to 35 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.

Charitable and Political donations

The Company made charitable donations of £1.3 million during the period. In the prior year, the Company donated over £1.6 million. No political donations were made during the period.

Principal risk factors

These risks are shown on pages 28 and 29.

Events after the balance sheet date

On 28 October, the Group announced that it has acquired the entire share capital of DIIG Europe from Decision Insight Information Group (DIIG). DIIG Europe is the UK and Ireland's leading property search group, primarily delivering residential and commercial property searches to legal professionals. 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 2018 and 2022 respectively to obtain competitive prices and to secure supplies.

As regards the Group's principal commodity, newsprint, arrangements are made annually 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 on 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 (2012 – 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.

Employees

Details in respect of employees are in the CR Review on pages 30 to 35.

Articles of Association

The appointment and replacement of Directors are 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.

Directors' Report

Statutory Information

Continued

The Directors have authority to issue and allot A Ordinary Non-Voting 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 Ordinary Non-Voting 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 2013, or was entered into during the year for any Director and/or connected person except as detailed in Note 43 (2012 – none).

Annual General Meeting

The AGM will be held at 9.00 am on Wednesday 5 February 2014, Northcliffe House, 2 Derry Street, London W8 5TT. The resolutions to be put to the meeting are set out on page 39. 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 auditor, Deloitte LLP, have indicated their willingness to continue in office. A resolution to reappoint them as auditor will be proposed at the AGM.

By order of the Board
General Counsel & Company Secretary

Directors' Report

Remuneration Report

In this section:

Chairman's statement on remuneration

We recognise that our incentive arrangements are critical to the management of our businesses. We have therefore set out below our three key principles:

- Reward sustainable growth
  Incentives are designed to promote the achievement of strategic goals and to engender the long-term sustainable growth of our businesses.
- Accountability
  Our plans are designed to reward employees for the performance of the business for which they are accountable and can directly influence.
- Simplicity and transparency
  We aim for clarity of objectives and relative simplicity of design.

Adhering to these principles has contributed towards another successful year and continues to enable us to build a strong foundation for future performance.

Key areas of activity over the year

There have been five key areas of activity for the Remuneration Committee (the Committee) this past year:

1. Divisional incentive schemes

The Committee spends much of its time reviewing the remuneration and incentive plans of subsidiaries and divisions, which are diverse both in geography and market.

In the year ahead, we will be considering the most effective incentive plan designs for a number of the businesses including: Euromoney, RMS and dmg information. The focus will be, as always, on ensuring a close alignment between performance and reward.

2. Pay review FY2013

For 2013, base salary increases for the Executive Directors are in line with the general salary review budgets across the Group. An increase of 3% was agreed with effect from 1 October 2013, with the exception of Mr Dacre who has a contractual increase of the higher of RPI or 5%.

3. Bonus payments FY2013

Under the bonus plan, awards of up to 88% of the maximum potential have been made. Further details of financial performance in the year and the bonus outcomes are shown on tables 2.1–2.3 on pages 53 and 54. The Committee considers the levels of these bonuses to be appropriate in light of the strong results.

4. Vesting of the 2010 LTIP

Vesting of the 2010 LTIP was agreed at 53.9% of maximum for Mr Beatty. The Committee has not yet determined the final vesting of the award for Mr Morgan. An estimate of 35% of maximum has been used throughout this report.

The level at which the award vests is based on results over the three year period from 1 October 2010 to 30 September 2013. Further details of the 2010 LTIP outcomes are shown on pages 54 and 55.

5. Clear and transparent reporting

This is the first year of the new disclosure requirements for remuneration reporting. We have fully met these requirements in our report.

The Executive Director's remuneration at a glance remains a feature at the front of this report which clearly demonstrates the link between Corporate performance and reward.

As required, this year we have included two new sections to cover policy and implementation.

The Viscount Rothermere
Chairman

Bonus plan for Lord Rothermere

The Committee, without Lord Rothermere present, considered his current bonus arrangement.

As Lord Rothermere is a beneficiary of the largest shareholder of DMGT plc (RCL), he is already in complete alignment with shareholders' interests. In recognition of this, he has not participated in a Long-Term Incentive Plan since 2009. Furthermore, and continuing in this direction, it has been agreed that with effect from October 2012, his bonus should be paid fully in cash. The Committee considered that the requirement to defer part of the bonus into nil cost options was unnecessary and achieved no incentive purpose.

Correspondingly, as there is no deferral, the maximum bonus opportunity has been reduced from 200% to 180% of salary, with the on-target bonus reduced from 100% to 90% of salary.

Directors' Report

Remuneration Report

Continued

Executive Directors: remuneration at a glance

Corporate performance in FY2013

	2013	Movement
Adjusted profit before tax	£282m	+10%
Dividend per share	19.2p	+7%
Earnings per share	53.0p	+7%
Share price	£7.62	+58%

FY2013 Remuneration outcomes for the Executive Directors

	The Viscount Rothermere £000	M W H Morgan £000	S W Dainith £000	D M M Dutton £000	P M Dacre £000	K J Beatty £000	P M Fallon £000	Total £000
Salary 2013 Increase with effect from October 2013	774 3%	929 3%	659 3%	337 3%	1,812 5%	686 3%	9 –	**5,206**
Bonus (including deferred amounts) As a % of salary	1,207 156%	815 88%	543 82%	146 43%	– n/a	360 52%	246 n/a	**3,317**
Taxable benefits	37	21	17	1	35	26	2	**139**
Pension benefits	286	344	198	–	–	254	–	**1,082**
LTIP awards vesting in year	–	784	–	–	–	892	–	**1,676**
Total remuneration	**2,304**	**2,893**	**1,417**	**484**	**1,847**	**2,218**	**257**	**11,420**

The key elements of remuneration for the Executive Directors

The key elements of remuneration applicable for each Executive Director in FY2013 are described below:

The Viscount Rothermere
Salary of £773,500 (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.

M W H Morgan
Salary of £928,800 (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 £659,200; 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.

D M M Dutton
Salary of £337,400; annual bonus opportunity of 50% of salary maximum, 25% of salary on-target, no deferral applies; personal medical insurance.

P M Dacre
Salary of £1,311,975 and salary supplement of £500,000; company car and car allowance, fuel benefit and family medical insurance.

K J Beatty
Salary of £686,400; 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 and family medical insurance.

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 FY2013 and FY2012. For details on the key elements of compensation for each of the Executive Directors, see the key elements of remuneration table on page 52. Details of the calculation of the annual bonus figure for FY2013 can be found under the Variable pay awards vesting in FY2013 section on pages 53 and 54. Details of the calculation of the LTIP figure for 2013 can be found under the Outcome of LTIP awards section on pages 54 and 55.

	Year	Salary and Fees[1] £000	Taxable Benefits[7] £000	Pension Benefits £000	Total Fixed £000	Annual Bonus[5] £000	Total Annual Remuneration £000	LTIP[2,3,4] £000	Total Remuneration £000
The Viscount Rothermere	**2013**	**774**	**37**	**286**	**1,097**	**1,207**	**2,304**	**–**	**2,304**
	2012	751	37	267	1,055	911	1,966	–	1,966
M W H Morgan	**2013**	**929**	**21**	**344**	**1,294**	**815**	**2,109**	**784**	**2,893**
	2012	902	21	323	1,246	564	1,810	999	2,809
S W Daintith	**2013**	**659**	**17**	**198**	**874**	**543**	**1,417**	**–**	**1,417**
	2012	640	17	192	849	439	1,288	–	1,288
D M M Dutton	**2013**	**337**	**1**	**–**	**338**	**146**	**484**	**–**	**484**
	2012	328	1	–	329	91	420	–	420
P M Dacre	**2013**	**1,812**	**35**	**–**	**1,847**	**–**	**1,847**	**–**	**1,847**
	2012	1,750	36	–	1,786	–	1,786	–	1,786
K J Beatty	**2013**	**686**	**26**	**254**	**966**	**360**	**1,326**	**892**	**2,218**
	2012	666	21	247	934	303	1,237	738	1,975
P M Fallon[6]	**2013**	**9**	**2**	**–**	**11**	**246**	**257**	**–**	**257**
	2012	222	1	–	223	5,637	5,860	–	5,860
Total	**2013**	**5,206**	**139**	**1,082**	**6,427**	**3,317**	**9,744**	**1,676**	**11,420**
	2012	5,259	134	1,029	6,422	7,945	14,367	1,737	16,104

Notes
1. Salary shown for The Viscount Rothermere and Mr Morgan include fees as Directors of Euromoney.
2. Value of LTIP in 2012 relates to the 2009 award, the core award of which vested at 52.5% on 30 September 2012 and includes the value of all subsequent matching shares. Details of the core award are shown in table 7 on page 57 and details of the matching award are shown in table 5.2 on page 55. The share price when the core award vested on 30 September 2012 of £4.82 has been used to provide a value for the shares. The awards are not realisable until December 2015 when all of the matching shares have vested.
3. The 2006 LTIP award lapsed in full in December 2012 and had no value.
4. Value of LTIP in 2013 relates to the current estimate of the vesting of the 2010 award, at 35% for Mr Morgan and 53.9% for Mr Beatty on 30 September 2013 and includes the value of all subsequent matching shares. Details of the core award are shown in table 7 on page 57 and details of the matching award are shown in table 5.1 on page 55. 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.
5. 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 tables 2.1–2.3 on pages 53 and 54. The amounts deferred are shown in table 3 on page 54.
6. Mr Fallon died on 13 October 2012.
7. Taxable benefits comprise car/or equivalent allowances which are £34,000 for the Viscount Rothermere; £18,000 for Mr Morgan and £14,000 for Mr Daintith. Mr Beatty has a company car with a taxable value of £23,000 and Mr Dacre has a company car with a taxable value of £15,000 plus a car allowance of £10,000. Mr Dacre also received a fuel benefit of £6,500. All of the Directors received a medical benefit with a cost to the Company of approximately £3,000 with the exception of Mr Dutton's medical benefit which was at a cost of £1,351.

Executive Directors: Variable pay awards vesting in FY2013

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

The details of the weightings and opportunity relating to the annual bonus paid to Directors for the year ended 30 September 2013 and included in the single figure table are shown below. The performance measures are either adjusted pre-tax profits or strategic.

	Weightings					Opportunity as a % of salary				
	B2B	Consumer	Overall DMGT	Strategic Measures	Total	Threshold	Target	Maximum	Actual Outcome % of salary	Actual Outcome £000
The Viscount Rothermere	40%	20%	40%	–	100%	0%	90%	180%	156%	1,207
M W H Morgan	30%	20%	30%	20%	100%	0%	50%	100%	88%	815
S W Daintith	30%	20%	30%	20%	100%	0%	50%	100%	82%	543
K J Beatty	–	80%	–	20%	100%	0%	30%	60%	52%	360
D M M Dutton	40%	20%	40%	–	100%	0%	25%	50%	43%	146

Notes
There was no discretion applied when calculating the bonus outcome.

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Annual report on remuneration table 2.2: Profit measures – Audited

The profit measure is split into three categories and weighted appropriately to the role of the executive. The following illustrates performance against targets for the profit measures:

Profit targets	Below 0%	Threshold 0%	Target 100%	Maximum 200%	Outcome as % of target
B2B					167%
Consumer					193%
Overall DMGT					170%

Annual report on remuneration table 2.3: Strategic measures – Audited

For Executive Directors with strategic measures forming part of their bonus, each had two objectives which were equally weighted. The following illustrates performance against targets for the strategic measures:

	Strategic targets	Below 0%	Threshold 0%	Target 100%	Maximum 200%	Outcome as % of target
M W H Morgan	RMS and MailOnline objectives					180%
SW Daintith	Capital allocation and performance reporting					125%
K J Beatty	Digital and MailOnline objectives					100%

Annual report on remuneration table 3: Deferred annual bonus – Audited

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 FY2013	Amount deferred as % of FY2013 bonus
The Viscount Rothermere	Nil	None	–	–
D M M Dutton	Nil	None	–	–
M W H Morgan	Amounts above target bonus deferred for 2 years	Nil cost options	£351,086	43%
S W Daintith	Amounts above target bonus deferred for 2 years	Nil cost options	£212,922	39%
K J Beatty	Amounts above target bonus deferred for 2 years	Nil cost options	£153,754	43%

Annual report on remuneration table 4.1: Outcome of LTIP awards in FY2013 – Audited

The vesting of the LTIP awarded to Mr Morgan in FY2010, for which the performance period ended on 30 September 2013, has not yet been determined. 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.

Performance measures	Weighting
EBITDA	25%
Cumulative free cash	25%
Investment grade rating	25%
Strategic measures	25%
Total	**100%**

Notes
1. The measures were chosen to reflect the strategic aims of DMGT set in 2010. The Committee considers the strategic measures to be commercially sensitive.
2. The Committee has not yet determined the final vesting of the award. An estimate of 35% is included in table 1 on page 53 as an indication of the estimated vesting.
3. The value of core and the matching awards is £783,890 as detailed in table 7 on page 57 and table 5.1 on page 55; this represents 84% of FY2013 salary for Mr Morgan and is shown in the 2013 LTIP column in table 1 on page 53.

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Annual report on remuneration table 4.2: Outcome of LTIP awards in FY2013 – Audited

The LTIP awarded to Mr Beatty in FY2010, for which the performance period ended on 30 September 2013, will vest to the level set out below. 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.

Performance measures	Below 0%	Threshold 0%	Target 50%	Maximum 100%	Weighting	Actual Outcome
dmg media cumulative profit FY2010–FY2013			◆		100%	53.9%

Notes
1. The measures were chosen to reflect the strategic aims of dmg media set in 2010. In accordance with the outcome against target shown in the table above, the Committee agreed that the LTIP would vest to the extent of 53.9%.
2. The value of core and the matching awards is £891,913 as detailed in table 7 on page 57 and table 5.1 on page 55, this represents 130% of FY2013 salary for Mr Beatty and is shown in the 2013 LTIP column in table 1 on page 53.

Executive Directors: Awards made under share schemes

The tables below set out the details of the 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. See table 7 on page 57 for details of core awards.

Annual report on remuneration table 5.1: 2010 LTIP Award matching shares – Audited

Award date	Dec 2010	Dec 2010	Dec 2010	Dec 2010		
Award Type	Matching	Matching	Matching	Matching		
Relating to	2010 LTIP	2010 LTIP	2010 LTIP	2010 LTIP		
Vests	Dec 2013	Dec 2014	Dec 2015	Dec 2016		
Realisable in	Dec 2016	Dec 2016	Dec 2016	Dec 2016		
Status of awards	Outstanding	Outstanding	Outstanding	Outstanding		
Outstanding awards					**Total Outstanding**	**Value at 30 Sep 2013 (£7.62 per share)**
M W H Morgan	17,145[e]	17,145[e]	17,145[e]	17,145[e]	**68,580[e]**	£522,580[e]
K J Beatty	19,508	19,508	19,508	19,508	**78,032**	£594,604

Annual report on remuneration table 5.2: 2009 LTIP Award matching shares – Audited

Award date	Dec 2009	Dec 2009	Dec 2009	Dec 2009		
Award Type	Matching	Matching	Matching	Matching shares		
Relating to	2009 LTIP	2009 LTIP	2009 LTIP	2009 LTIP		
Vests	Dec 2012	Dec 2013	Dec 2014	Dec 2015		
Realisable in	Dec 2015	Dec 2015	Dec 2015	Dec 2015		
Status of awards	Restricted until Dec 2015	Outstanding	Outstanding	Outstanding		
Outstanding awards					**Total Outstanding**	**Value at 30 Sep 2012 (£4.82 per share)**
M W H Morgan	34,527	34,527	34,527	34,527	**138,108**	£665,680
K J Beatty	25,521	25,521	25,521	25,521	**102,084**	£492,045

Notes
1. No further performance conditions apply, except that the core award and none of the matching awards are realisable until the full award vests.
2. Total values for core and matching awards are shown in the single figure on table 1 on page 53 against 2012 for the 2009 award and 2013 for the 2010 award.

Estimated = e.

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Executive Directors: Awards made under share schemes

Annual report on remuneration table 6: Nil Cost Options – Audited

The table below sets out the details of all awards of nil cost options as part of the deferred bonus plan, including those derived from the Directors' bonuses for FY2012 that were granted in December 2012 at the closing price on 30 November 2012 of £5.27.

Award date	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2012	
Award Type	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	
Exercisable from	Dec 2012	Dec 2013	Dec 2014	Dec 2014	Dec 2015	
Expiry date	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2019	
Status of awards	Vested	Outstanding	Outstanding	Outstanding	Outstanding	
Award Price	£4.10	£5.39	£3.98	£5.27	£5.27	
Outstanding Awards						**Total Outstanding**
The Viscount Rothermere	105,306	187,581	110,464	–	129,635	**532,986**
M W H Morgan	–	77,272	44,215	21,560	–	**143,047**
S W Daintith	–	–	24,201	22,588	–	**46,789**
K J Beatty	96,196	34,970	17,069	19,473	–	**167,708**
Total Outstanding	**201,502**	**299,823**	**195,949**	**63,621**	**129,635**	**890,530**
Exercised during year						
M W H Morgan	130,140	–	–	–	–	**–**

Notes
1. The value of December 2012 awards at issue were: £683,176 for the Viscount Rothermere; £113,621 for Mr Morgan; £119,040 for Mr Daintith and £102,626 for Mr Beatty.
2. Awards will be made in December 2013 in respect of bonuses for FY2013, to the value of £351,086 for Mr Morgan; £212,922 for Mr Daintith and £153,754 for Mr Beatty.

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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 2012 under the 2012 LTIP. Awards are made annually in line with policy. Further information about LTI policy can be found in table 6 on page 62 of this report.

Award Name	2007 LTIP Award	2009 LTIP Core Award	2010 LTIP Core Award	2011 LTIP Award	2012 LTIP Award	Recruitment Award	Total Outstanding
Award date	Jul 2007	Dec 2009	Dec 2010	Feb 2012	Dec 2012	Jan 2011	
Performance period ends	Dec 2013	Sep 2012	Sep 2013	Oct 2016	Oct 2017	Jan 2014	
Standard award as % of salary	187.5%	187.5%	187.5%	100%	100%	n/a	
Award price	£7.17	£4.04	£5.59	£4.37	£5.27	£5.72	
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; Net debt; EBITDA investment grade rating; and performance against strategic plan	Growing B2B business; Continue to grow and invest in strong brands of digital consumer media – particularly MailOnline; Growing sustainable earnings and dividends; Increasing the Company's exposure to growth economies and to international opportunities	Growing B2B business; Continue to grow and invest in strong brands of digital consumer media – particularly MailOnline; Growing sustainable earnings and dividends; Increasing the Company's exposure to growth economies and to international opportunities	none	
Status of awards	Outstanding	Vested but restricted until Dec 2015	Vested but restricted until Dec 2016	Outstanding	Outstanding	Outstanding	
Maximum percentage of face value that could vest	300%	100%	100%	100%	100%	100%	
Likely vesting (Estimated)	90.0%e (5th against TSR comparator group 30 Sep 2013)	52.5%	35.0%e K. J. Beatty 53.9%	100.0%e	100.0%e	100.0%	
Outstanding Awards							
The Viscount Rothermere	43,926	–	–	–	–	–	**43,926**
M W H Morgan	17,500	69,053	34,291e	206,350	176,243	–	**503,437**
S W Daintith	–	–	–	146,453	125,085	17,421	**288,959**
D M M Dutton	18,807	–	–	–	–	–	**18,807**
K J Beatty	–	51,042	39,017	152,494	130,246	–	**372,799**
Total Outstanding	**80,233**	**120,095**	**73,308**	**505,297**	**431,574**	**17,421**	**1,227,928**

Notes
1. In all cases, there is no payout at threshold performance.
2. The value of the 2012 LTIP awards at issue were: £928,803 for Mr Morgan; £659,200 for Mr Daintith and £686,400 for Mr Beatty.
3. The value of the vested 2009 LTIP core award at the 30 September 2012 share price of £4.82 is £332,835 for Mr Morgan and £246,022 for Mr Beatty. The total value of the core and matching awards are shown against 2012 in table 1 on page 53.
4. The total value of the core and matching awards for the 2010 LTIP are shown against 2013 in table 1 on page 53.
5. The Committee 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 awards vest.
Estimated = e.

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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 225,000 options granted to Directors in 2002 lapsed in full in December 2012.

Award date	Dec 2003	Dec 2004	
Date from which exercisable	Dec 2006	Dec 2007	
Expiry date	Dec 2013	Dec 2014	
Exercise price	£6.08	£7.24	
Status of awards	Performance conditions not met	Performance conditions not yet met	
Likely vesting	Will lapse	Unlikely	
Performance conditions	TSR must exceed that of the FTSE 100 index for 4 out of 6 consecutive monthly calculation dates. EPS real growth over a period of three consecutive financial years.	TSR must exceed that of the FTSE 100 index for 4 out of 6 consecutive monthly calculation dates. EPS real growth over a period of three consecutive financial years.	
Outstanding awards			**Total Outstanding**
The Viscount Rothermere	40,000	60,000	**100,000**
M W H Morgan	20,000	20,000	**40,000**
D M M Dutton	35,000	40,000	**75,000**
K J Beatty	20,000	30,000	**50,000**
P M Dacre	50,000	80,000	**130,000**

Annual report on remuneration table 9: Executive Directors' accrued entitlements under the DMGT Senior Executives' 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 pension contributions on behalf of Mr Dutton or Mr Dacre. 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 2013 based on normal retirement age	Defined Benefit: Normal retirement date	Defined Benefit: Additional value of benefits if early retirement taken	Weighting of pension benefit value as shown in single figure table
The Viscount Rothermere	£75,000	3 Dec 2027	–	Cash allowance: 100%
M W H Morgan	£84,000	16 Feb 2010	n/a	Cash allowance: 100%
P M Dacre	£652,000	14 Nov 2008	n/a	Cash allowance: 100%
K J Beatty	£99,000	01 Nov 2017	–	Cash allowance: 100%

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.

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

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

	FY2012 Total £000	FY2013 Total £000	% increase/(decrease)
Chief Executive remuneration (excluding LTIP)	1,810	2,109	17.2%
Total employee remuneration	593,600	543,600	(8.4%)
Average number of employees	12,130	10,205	(15.9%)
Average remuneration	£48,936	£53,268	8.8%

Notes
1. The increase shown for the Chief Executive is due in large to the bonus outcome in FY2013 being significantly higher than the outcome in FY2012.
2. Average headcount during the year has reduced, however, average remuneration has increased as a result of corporate restructuring, in particular, the disposal of Northcliffe Media in December 2012.
3. Total employee remuneration includes salaries, wages and incentives, but excludes pension benefits.

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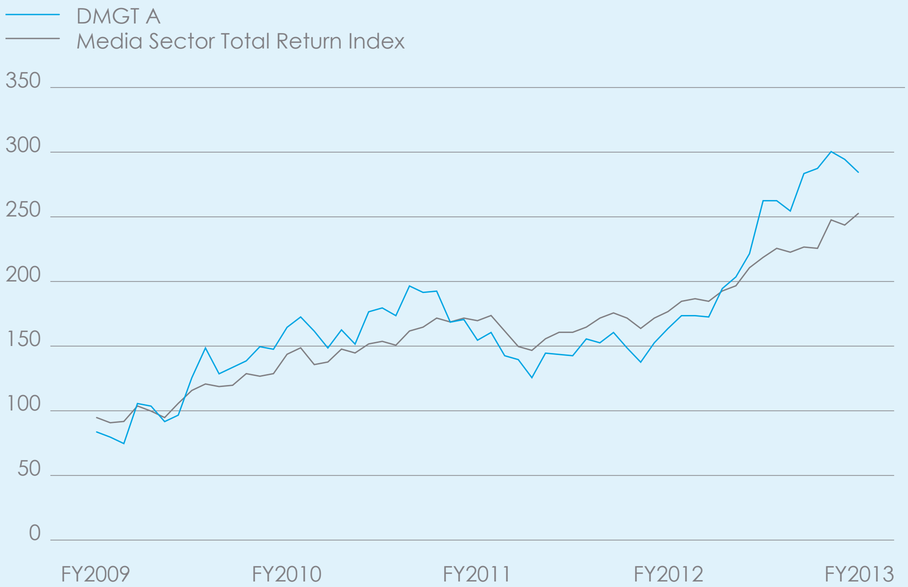
Annual report on remuneration chart 1: Comparison of overall performance and remuneration of the CEO

The chart compares the Company's TSR with the Media Sector Total Return Index over the past five 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 an appropriate comparison to demonstrate the Company's relative performance.



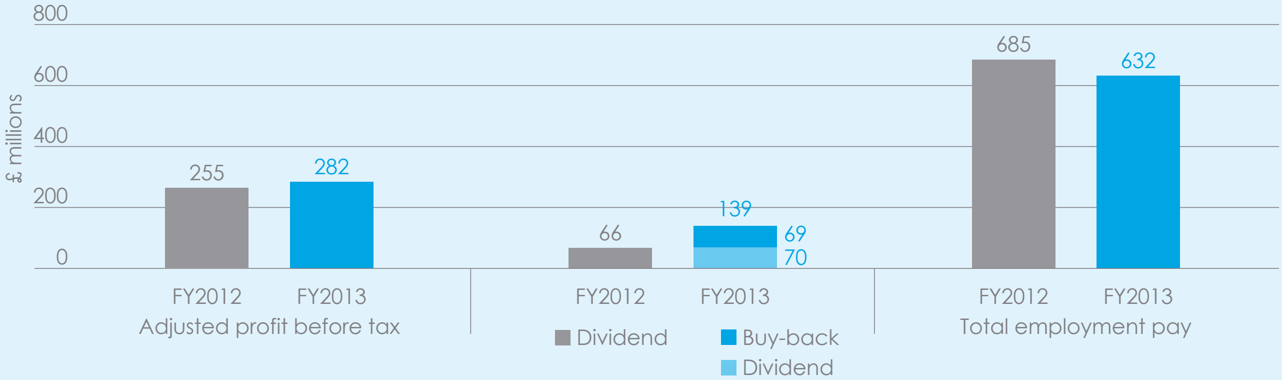
Annual report on remuneration table 11: Chief Executive remuneration outcomes FY2009 to FY2013 – Audited

Financial Year Ending	FY2009 £000	FY2010 £000	FY2011 £000	FY2012 £000	FY2013 £000
Total Remuneration (single figure)	2,312	2,961	1,722	2,809	2,893
Annual variable pay (% maximum)	63%[1]	98%	40%	63%	88%
LTIP achieved (% maximum)	0%	25%[2]	25%/100%[3]	52.5%[4]	35%[5]

Notes
1. In FY2009 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 FY2010 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 FY2011. 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 FY2012 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 FY2013 the price on 30 September 2013 (£7.62) is used for the 2010 award which will vest at an estimated 35% of maximum 100% and the 2006 award lapsed.

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.



Notes
1. The decrease in total employee pay over the year is largely due to the sale of Northcliffe in December 2012.

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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 first binding vote on our intended Directors' remuneration policy will be put to Shareholders at the AGM on 5 February 2014 (see page 39) 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 executives 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.

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. Mr Dacre receives a salary increase of the higher of RPI or 5%. 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 FY2013 were in line with average levels of increase for UK employees across the Group at 3%, except for Mr Dacre, whose current contractual terms are an increase of the higher of RPI or 5%.
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 59.

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 Directors 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, The Viscount Rothermere, Mr Morgan and Mr Beatty receive a cash allowance of 37% of salary; Mr Daintith receives a cash allowance of 30% of salary. The Company does not make any pension contributions on behalf of Mr Dutton or Mr 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 table 1 on page 53 with further details in the Pensions entitlements and cash allowances section 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.

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. Mr Dacre and Mr Beatty may choose either a company car (the value of which will change from time to time) and/or a car allowance. The Viscount Rothermere, Mr Morgan and Mr Daintith receive a cash allowance.
Levels	Taxable benefits comprise car and/or equivalent car allowances. Currently car allowances are £34,000 for the Viscount Rothermere; £18,000 for Mr Morgan and £14,000 for Mr Daintith. Mr Beatty has a Company car with a taxable value of £23,000 and Mr Dacre has a Company car with a taxable value of £15,000 and a £10,000 additional car allowance. Mr Dacre also received a fuel benefit of £6,500. All of the Directors receive a medical benefit with a cost to the Company of approximately £3,000, with the exception of Mr Dutton's medical benefit which was at a cost of £1,351. 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. Mr Beatty opted to receive a Company car rather than a car allowance in FY2013. Allowances and benefits for FY2013 are reported in detail in the notes to table 1 on page 53.
Other employees	Allowances and benefits for employees reflect the local labour market in which they are based.

Policy report table 4: Executive Directors' annual bonus	
Purpose	To focus Executives on the delivery of 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 personal non-financial objectives. The bonus weightings applied for each of the Directors may vary from time to time and may include financial targets relating to their specific business. The bonus weightings for FY2013 are detailed in table 2.1 on page 53. The weightings that apply for the bonus may vary if the Committee determine 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 2.1 and 2.3 on pages 53 and 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. No such adjustments were made for the FY2013 bonus. Mr Dacre receives a salary supplement of £500,000. The Company considered that offering Mr Dacre a bonus scheme linked to financial targets would be inconsistent with the objective of maintaining editorial independence.
Levels	For The Viscount Rothermere, maximum opportunity is 180% of salary; for Mr Morgan and Mr Daintith, maximum opportunity is 100% of salary; for Mr Beatty maximum opportunity is 60% of salary and for Mr Dutton maximum opportunity is 50% of salary. On-target bonus is 50% of maximum in all cases. There is normally no pay out 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 personal objectives also contributes towards the bonus for Mr Morgan, Mr Daintith and Mr 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 FY2013 bonus targets are as reported on page 53. The financial measures and weightings for each measure for the FY2014 bonuses will be the same as FY2013 (as shown in table 2.1 on page 53), except for Mr Beatty who will have 50% of his bonus determined by the outcome of Consumer financial targets and 50% determined by the outcome of agreed strategic targets. Personal objectives are agreed by the Committee and may be strategic and non-financial. The Committee considers the specific targets for each measure to be commercially sensitive and will disclose performance against targets in the year that bonus awards are made.
Implementation	Annual bonus payments for FY2013 are reported in detail in tables 2.1–2.3 on pages 53 and 54. The maximum opportunity for the Viscount Rothermere was amended to 180%. For Mr Dutton, his bonus outcome is determined by the targets detailed on page 54 rather than discretionary. There were no other changes.
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.

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Executive Directors

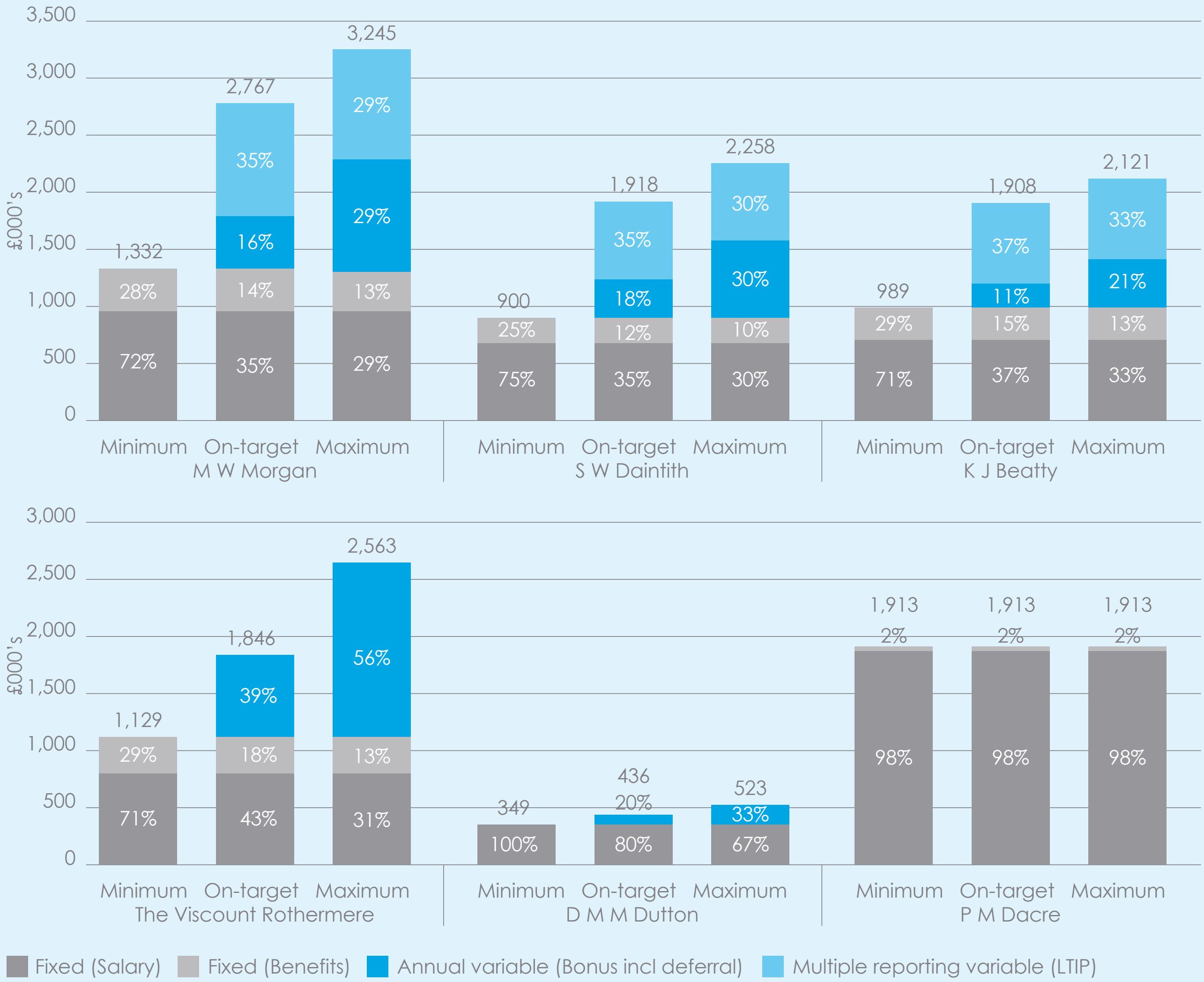
Policy report table 5: Executive Directors' bonus deferral	
Purpose	To provide an element of retention and align Executive Director's interests with those of Shareholders.
Operation	The current plan was adopted by the Board in November 2012. Awards are delivered through a grant of nil cost options. A proportion of some Executives' annual bonus is deferred for a period of two years. Annual bonus deferrals requirements are reported in detail in table 6 on page 56. 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	Mr Morgan, Mr Daintith and Mr Beatty are required to defer any above target annual bonus into nil cost options for two years. The Viscount Rothermere and Mr 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 FY2012 are shown in table 6 on page 56. The cash amounts that apply for the FY2013 bonus are shown in the notes below table 6 on page 56. The Viscount Rothermere is not required to defer any part of his bonus. All other bonus deferrals remain as stated in table 3 on page 56.
Other employees	Most annual incentive plans around the Group do not include a requirement for deferral.

Policy report table 6: Executive Directors' Long-Term Incentives	
Purpose	To focus Executives 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 grant of restricted Shares. Awards have a five year vesting period. 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. No adjustments were made for performance periods ending in 2013. 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	Mr Morgan, Mr Daintith and Mr Beatty are eligible to receive a standard award of 100% of salary annually. The Viscount Rothermere, Mr Dutton and Mr Dacre 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 for the 2013 award fall under the following categories and are equally weighted: • Growing B2B business. • Continue to grow and invest in strong brands of digital consumer media – particularly MailOnline. • Growing sustainable earnings and dividends. • Increasing the Company's exposure to growth economies and to international opportunities. The Committee sets targets in accordance with its strategic planning and 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 award made under the LTIP in 2012 is reported in detail in table 7 on page 57. No changes were made to the awards made under the LTIP policy in 2013. Awards made in 2007 and 2010 which vest in 2013 were made under the 2001 LTIP. Performance measures vary significantly from the current plan. The award made in 2007 will be fully realisable in January 2013. Details of the performance measures and the outcomes against targets for the 2010 award 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 and will not be fully realisable until December 2015 and December 2016 respectively. Details of outstanding awards and their status are shown in detail in table 7 on page 57. The award made to Mr Daintith on recruitment was a transition award made under the 2001 plan which will vest in 2014. There are no performance conditions except that he continues to be employed. Details of the award are shown in table 7 on page 57.
Other employees	The Long-Term Incentive Plan 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.

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
1. 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.
2. Maximum assumes that the standard LTI award and the maximum bonus have been awarded as stated in the policy table.
3. Graphs illustrate remuneration policy that will be voted on 5 February 2014 for the period 1 October 2013 to 30 September 2014. 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

Directors' Report

Remuneration Report

Continued

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.
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 for the notice period.
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.

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.

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Executive Directors

Policy report table 9: Executive Director's recruitment policy	
Principles	When appointing or recruiting Directors, the Company will normally aim to set remuneration at a level which is consistent with the remuneration policy in place for other 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 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 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.

Policy report table 10: Executive Director's shareholding guidelines	
Purpose	To align the interests of Executives 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 guideline should be met.
Implementation	No change in the policy on shareholder guidelines in the year. Directors' interests are reported in detail on page 67.
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. Mr 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, where Shareholders were consulted. The Committee considers the 98% vote in favour of the Remuneration Report in 2012 (table 17 on page 70) to demonstrate strong Shareholder support for the Group's remuneration arrangements.

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 external advisers when making decisions on Remuneration matters affecting the Executive Directors.

Directors' Report

Remuneration Report

Continued

Non-Executive Directors: annual report on remuneration

Annual report on remuneration table 12: Single total 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 2013 and 2012

	2013			2012		
	Fees £000	Travel Allowance £000	Total £000	Fees £000	Travel Allowance £000	Total £000
J G Hemingway	78	–	78	74	–	74
F P Balsemão	39	–	39	39	–	39
D J Verey	73	15	88	68	–	68
N W Berry	74	5	79	57	–	57
D H Nelson	102	10	112	95	–	95
D Trempont	114	50	164	35	16	51
H Roizen	72	50	122	–	4	4
A Lane	41	–	41	–	–	–
T Keswick	1	–	1	–	–	–
T S Gillespie	12	5	17	35	–	35
Total	**606**	**135**	**741**	403	20	423

Notes
1. There is a basic NED fee of £35,000. Additional fees are paid for membership and chairmanship of sub-committees and subsidiary boards.
2. Heidi Roizen was appointed to the MailOnline Advisory Board in March 2013 and Dominique Trempont joined the RMS Board in January 2013. Fees shown above include the fees for their participation on these Boards.
3. Travel allowances of £4,000 are paid for travel involving between 5 and 10 hours and £10,000 for meetings involving more than 10 hours travel.
4. Tom Gillespie retired from the Board on 6 February 2013.

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 Director's fees are reviewed regularly. The Board as a whole considers and approves the fees of the Non-Executive Directors.
Levels	The current fees for the Chairman and Non-Executive Directors are paid at the annual rates as shown below: Board Member £35,000; Audit Committee Chairman £30,000; Audit Committee Member £14,000; Risk Committee Member 8,000; Investment and Finance Committee Member £25,000. Mr Nelson and Mr 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 5 and 10 hours and £10,000 for travel involving more than 10 hours.
Performance framework	Continued appointment.
Implementation	The actual fees paid to the Non-Executive Directors in FY2013 are shown in table 12 above.
Other employees	NA

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 following appointment, and thereafter at least every three years. 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/ re-appointment	J G Hemingway	6 Feb 2013	D Trempont	6 Feb 2013
	F P Balsemão	6 Feb 2013	H Roizen	6 Feb 2013
	D J Verey	6 Feb 2013	A Lane	6 Feb 2013
	N W Berry	6 Feb 2013	T Keswick	23 Sep 2013
	D H Nelson	6 Feb 2013		
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 interests as at 30 September 2013 are set out in the table below.

Beneficial								Conditional shares
	As at	Ordinary	A Ordinary Non-Voting	Value (as a multiple of salary)	Guideline met	LTI interests subject to performance conditions[1]	LTI interests not subject to performance conditions[2]	Options subject to performance conditions[3]
The Viscount Rothermere	30 Sep 2013	17,738,163	68,570,093	876	✓	43,926	532,986	100,000
	1 Oct 2012	11,903,132	75,134,502	560	✓			
M W H Morgan	30 Sep 2013	764	1,149,826	9.7	✓	710,125	143,047	40,000
	1 Oct 2012	764	978,104	5.2	✓			
S W Daintith	30 Sep 2013	–	2,959	–	–	271,538	64,210	–
	1 Oct 2012	–	2,711	–	–			
D M M Dutton	30 Sep 2013	–	269,938	6.3	✓	18,807	–	75,000
	1 Oct 2012	–	269,681	3.9	✓			
K J Beatty	30 Sep 2013	–	54,838	0.6	–	552,915	167,708	50,000
	1 Oct 2012	–	54,581	0.4	–			
P M Dacre	30 Sep 2013	–	37,861	0.2	–	–	–	130,000
	1 Oct 2012	–	37,861	0.2	–			
P M Fallon	30 Sep 2013	–	–	–	–			
	1 Oct 2012	4,000	42,234	25	✓			
J G Hemingway	30 Sep 2013	–	200,000					
	1 Oct 2012	–	200,000					
T S Gillespie	30 Sep 2013	–	7,500					
	1 Oct 2012	–	7,500					
D J Verey	30 Sep 2013	6,500	15,000					
	1 Oct 2012	6,500	15,000					
D H Nelson	30 Sep 2013	–	–					
	1 Oct 2012	–	–					
	30 Sep 2013	**17,745,427**	**70,072,515**			**1,597,311**	**907,951**	**395,000**
	1 Oct 2012	11,914,396	76,742,174					
Non-Beneficial								
The Viscount Rothermere	30 Sep 2013	756,700	5,540,000					
	1 Oct 2012	756,700	5,540,000					
J G Hemingway	30 Sep 2013	4,000	5,550,000					
	1 Oct 2012	4,000	5,550,000					
D H Nelson	30 Sep 2013	–	212,611					
	1 Oct 2012	–	212,611					
	30 Sep 2013	**760,700**	**11,302,611**					
	1 Oct 2012	760,700	11,302,611					
Total Directors' interests	30 Sep 2013	18,506,127	81,611,346					
	1 Oct 2012	12,675,096	88,044,659					
Less duplications	30 Sep 2013	–	–					
	1 Oct 2012	–	(5,752,611)					
	30 Sep 2013	**18,506,127**	**81,611,346**					
	1 Oct 2012	12,657,096	82,292,048					

Notes

1. The figures in the table above include A shares committed by executives under the 2007 LTIP award, details of which are set out in table 7 on page 57. For the Viscount Rothermere, Mr Morgan and Mr Dutton 43,926; 17,500 and 18,807 respectively of the A shares were subject to restrictions.
2. The LTI interests subject to performance conditions are detailed on in the 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 5.1 and 5.2 on page 55.
3. The LTI interests not subject to performance conditions include the nil cost options awarded as the bonus deferral and Mr Daintith's recruitment award. The Options subject to performance conditions are Options granted under the 1997 Executive Share Option Scheme detailed in table 8 on page 58.
4. The Company has been notified that under sections 793 and 824 of the Companies Act 2006, each of the Viscount Rothermere, Mr Hemingway and Mr Gillespie was deemed to have been interested as shareholders in 17,738,163 Ordinary shares at 30 September 2013 and 11,903,132 at the 1 October 2012.
5. At 30 September 2013 and at 1 October 2012, the Viscount Rothermere was beneficially interested in 756,700 Ordinary shares of Rothermere Continuation Limited, the Company's ultimate holding company.
6. The Viscount Rothermere was beneficially interested in nil Ordinary Shares in Associated Newspapers North America Inc at 30 September 2013 and 68 at 1 October 2012.
7. There is no shareholding for Mr Balsemão, Mr Berry, Mr Trempant and Ms Roizen.

Directors' Report

Remuneration Report

Continued

Annual report on remuneration: Directors' shareholdings

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

Directors' beneficial shareholdings in Euromoney were as follows:

	30 Sep 2013	1 Oct 2012
The Viscount Rothermere	24,248	24,248
M W H Morgan	7,532	7,532
P M Fallon	–	630,383
Total Directors' interests	31,780	662,163

Disclosable transactions by the Group under IAS 24, Related Party Disclosures, are set out in Note 43 on pages 164 to 165. 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: Remuneration Committee activities

The 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 the Viscount Rothermere with Committee members Mr Berry and Mr Nelson. 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, the Viscount 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 subsidiaries and divisions which are diverse both in geography and market. 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 September 2013, 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 table 15: Remuneration Committee attendance

Individual attendance at meetings is set out below.

	Number of meetings eligible to attend	Number of meetings attended
The Viscount Rothermere	4	4
N W Berry	4	4
D H Nelson	4	4

Note
The Viscount Rothermere did not attend part of two meetings while matters affecting his own remuneration were discussed.

Remuneration Committee activities

Annual report on remuneration table 16: 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 FY2013.

Meeting	Regular standing agenda items	Other agenda items
November 2012	Approved FY2012 Outcome of Executive Bonus Scheme Approved FY2013 Targets for Executive Bonus Scheme Approved FY2009 LTIP vesting outcome Approved December 2012 LTIP participants and performance conditions Approved December 2012 Option grants under 2006 ESOS Approved Remuneration Report	Approved revised bonus deferral plan Approved new conditional share award plan Approved RMS salary reviews and review of FY2012 divisional bonuses awarded Approved Packages for recruitment of divisional executives
February 2013	Confirmed FY2012 Executive bonuses and deferrals Confirmed FY2013 Executive Bonus Scheme targets Confirmed December 2012 LTIP awards Confirmed 2006 ESOS awards made December 2012 Shareholder feedback on annual report disclosures Update on the latest views of the ABI and NAPF	The Viscount Rothermere's bonus deferral discussed Update on status of previous LTIP awards Development of reward communication in 2013 Review of divisional incentive plans Review of proposals relating to divisional LTIPs Other divisional compensation issues Review of the remuneration advisers
July 2013	Forecast of FY2013 Executive bonus outcome Initial discussion on FY2014 bonus structure Updates on likely outcomes of LTIPs vesting in 2013 Implications for the Remuneration Report under new legislation A review of salary review budgets across the Group	Approved The Viscount Rothermere and Mr Dutton's bonus structure Guidance note on objective setting for Executives Executive Directors' remuneration arrangements discussed Pay out for divisional LTIPs discussed Proposed new divisional incentive plans discussed Revised approach to senior recruitment approved Review of divisional incentive valuation methodology Divisional Senior Executive appointments and packages approved Outcome of remuneration advisers review
September 2013	Forecast of FY2013 Executive bonus outcome Discussion on FY2014 bonus financial targets Draft personal objectives reviewed Updates on likely outcomes of LTIPs vesting in 2013 Performance review of the Remuneration Committee Salary review of the Executive Directors and Head Office Executives Divisional Senior Executive Salary review (excluding RMS)	Mr Dacre's remuneration arrangements approved Divisional plans for approval Divisional Senior Executive appointments and packages approved Comparator group amendment for 2007 LTIP following News Corp split approved Draft Remuneration Report reviewed Recruitment and Exit policy approved Retirement policy and age discrimination discussed

Directors' Report

Remuneration Report

Continued

Remuneration Committee activities

Annual report on remuneration table 17: Voting at General Meeting

The table below shows the advisory vote on the 2012 Remuneration Report at the February 2013 AGM. The Committee considers the 98% vote in favour of the Remuneration Report to demonstrate strong Shareholder support for the Group's remuneration arrangements. The Committee consults with key investors prior to any major changes.

Votes for	%	Votes Against	%	Abstentions	%
18,112,033	98%	421,402	2%	4	0%

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

During 2013, 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 evaluated 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 re-appointed 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	61
Greenhill	481

This report covers the reporting period to 30 September 2013 and has been prepared in accordance with the relevant requirements of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2013 ('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

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

Financial Statements

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 2013 and of the Group's and the parent Company'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 financial statements, the Group in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB). In our opinion the consolidated 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 81 that the Group is a going concern. We confirm that:

- we have not identified material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern which we believe would need to be disclosed in accordance with IFRSs as adopted by the European Union; and
- we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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:

- impairment reviews of goodwill, intangible assets, property plant and equipment, joint ventures and associates;
- accounting for acquisitions and disposals;
- revenue recognition, including timing of recognition and identification of new revenue streams;
- presentation of adjusted earnings measures;
- capitalisation of internally generated IT costs; and
- the recognition and measurement of deferred tax assets.

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.

Financial Statements

Independent Auditor's Report

Continued

Our application of materiality

When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole. We determined planning materiality for the Group to be £10.0 million, which is below 5% of adjusted profit before tax and non-controlling interests as defined in note 13.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £200,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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 of audit interest. Twelve of these were subject to full audit procedures, and six were subject to specified audit procedures 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 18 locations represent the principal business units within the Group's five reportable segments and account for 88% of the Group's total assets, 95% of the Group's revenue and 98% of the Group's adjusted profit before tax. They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above.

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 each of the 12 full scope locations at least once a year. This year, the Group audit team visited all 12 of the full scope locations.

The way in which we scoped our response to the significant risks identified above was as follows:

- we challenged management's assumptions used in the impairment model for goodwill and intangible assets, described in note 20 to the financial statements, specifically including the cash flow projections, discount rates, long-term growth rates and sensitivities used, particularly in respect of the Group's interests in Genscape and BCA Research;
- we carried out testing of significant acquisitions and disposals made in the year. We have tested the valuation of intangible assets identified by management on acquisitions. For disposals, in particular of Northcliffe Media as set out in note 17, we tested the calculation of the gain arising;
- we carried out testing relating to controls over revenue recognition, including the timing of revenue recognition, the recognition of revenue on a gross or net basis, the treatment of discounts, as well as substantive testing, analytical procedures and assessing whether the revenue recognition policies adopted complied with IFRS;
- we considered appropriateness of the adjustments made to derive the adjusted profit measures set out in note 13;
- we carried out testing relating to the internal costs capitalised in respect of the internally generated intangible assets set out in the note 21; and
- 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, challenging those assumptions and considering supporting forecasts and estimates.

The Audit Committee's consideration of these risks is set out on page 45.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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. Under the Listing Rules we are required to review certain elements of the Directors' Remuneration Report. We have nothing to report arising from these matters or our review.

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 nine 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 the ISAs (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
- is 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.

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 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
4 December 2013

Financial Statements

Consolidated income statement

For the year ending 30 September 2013

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 Restated (Note 2) £m
CONTINUING OPERATIONS			
Revenue	3	1,752.6	1,746.8
Operating profit before exceptional operating costs, amortisation and impairment of goodwill and acquired intangible assets	3	292.5	273.7
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment	3	(40.3)	(76.5)
Amortisation and impairment of goodwill and acquired intangible assets arising on business combinations	3, 20,21	(42.5)	(53.6)
Operating profit before share of results of joint ventures and associates	3, 4	209.7	143.6
Share of results of joint ventures and associates	3, 7	5.3	(1.8)
Total operating profit		215.0	141.8
Other gains and losses	8	27.6	114.4
Profit before net finance costs and tax		242.6	256.2
Investment revenue	9	18.0	10.8
Finance costs	10	(58.1)	(64.1)
Net finance costs		(40.1)	(53.3)
Profit before tax		202.5	202.9
Tax	11	(37.8)	18.8
Profit after tax from continuing operations		164.7	221.7
DISCONTINUED OPERATIONS			
Profit from discontinued operations	18	47.9	54.8
PROFIT FOR THE YEAR		212.6	276.5
Attributable to:			
Owners of the Company	38	189.2	253.8
Non-controlling interests*	39	23.4	22.7
Profit for the year		212.6	276.5
Earnings per share	14		
From continuing operations			
Basic		37.4p	52.0p
Diluted		36.5p	50.5p
From discontinued operations			
Basic		12.7p	14.3p
Diluted		12.4p	13.9p
From continuing and discontinued operations			
Basic		50.1p	66.3p
Diluted		48.8p	64.2p
Adjusted earnings per share			
Basic		53.0p	49.4p
Diluted		51.7p	47.9p

*All attributable to continuing operations

Financial Statements

Consolidated statement of comprehensive income

For the year ending 30 September 2013

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 Restated (Note 2) £m
Profit for the year		212.6	276.5
Items that will not be reclassified to Consolidated Income Statement			
Actuarial gain/(loss) on defined benefit pension schemes	34, 38, 39	66.5	(61.8)
Tax relating to items that will not be reclassified to Consolidated Income Statement		(27.6)	5.6
Total items that will not be reclassified to Consolidated Income Statement		38.9	(56.2)
Items that may be reclassified subsequently to Consolidated Income Statement			
Gains on hedges of net investments in foreign operations	38, 39	2.4	31.3
Cash flow hedges:			
(Losses)/gains arising during the year	38, 39	(3.4)	3.1
Transfer of loss on cash flow hedges from translation reserve to Consolidated Income Statement	38, 39	2.2	3.6
Translation reserves recycled to Consolidated Income Statement on disposals	17, 38	(2.5)	(0.9)
Foreign exchange differences on translation of foreign operations	38, 39	(4.4)	(26.4)
Total items that may be reclassified subsequently to Consolidated Income Statement		(5.7)	10.7
Other comprehensive income/(expense) for the year		33.2	(45.5)
Total comprehensive income for the year		245.8	231.0
Attributable to:			
Owners of the Company		223.3	208.4
Non-controlling interests		22.5	22.6
		245.8	231.0

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Consolidated statement of changes in equity

For the year ending 30 September 2013

	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Revaluation reserve £m	Shares held in treasury £m	Translation reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 2 October 2011 Restated (Note 2)	**49.1**	**12.7**	**1.1**	**3.3**	**(46.3)**	**(42.5)**	**49.6**	**27.0**	**80.3**	**107.3**
Profit for the year Restated (Note 2)	–	–	–	–	–	–	253.8	253.8	22.7	276.5
Other comprehensive income for the year Restated (Note 2)	–	–	–	–	–	9.9	(55.3)	(45.4)	(0.1)	(45.5)
Total comprehensive income for the year Restated (Note 2)	–	–	–	–	–	9.9	198.5	208.4	22.6	231.0
Issue of share capital	–	0.8	–	–	–	–	–	0.8	1.5	2.3
Dividends	–	–	–	–	–	–	(66.2)	(66.2)	(9.6)	(75.8)
Own shares acquired in the year	–	–	–	–	(30.1)	–	–	(30.1)	–	(30.1)
Own shares released on vesting of share options	–	–	–	–	32.6	–	–	32.6	–	32.6
Transfer to retained earnings on disposal of revalued properties	–	–	–	(3.3)	–	–	3.3	–	–	–
Other transactions with non-controlling interests	–	–	–	–	–	–	–	–	0.9	0.9
Adjustment to equity following increased stake in controlled entity	–	–	–	–	–	–	(13.5)	(13.5)	(0.6)	(14.1)
Adjustment to equity following decreased stake in controlled entity	–	–	–	–	–	–	0.1	0.1	(0.1)	–
Credit to equity for share-based payments	–	–	–	–	–	–	12.5	12.5	0.7	13.2
Settlement of exercised share options of subsidiaries	–	–	–	–	–	–	(15.6)	(15.6)	–	(15.6)
Corporation tax on share-based payments							0.4	0.4	0.2	0.6
Deferred tax on other items recognised in equity	–	–	–	–	–	–	–	–	(0.6)	(0.6)
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	–	–	–	–	–	–	189.2	189.2	23.4	212.6
Other comprehensive income for the year	–	–	–	–	–	(4.4)	38.5	34.1	(0.9)	33.2
Total comprehensive income for the year	–	–	–	–	–	(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 (Note 44)	–	–	–	–	–	–	(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	–	–	–	–	–	–	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**

Financial Statements

Consolidated statement of financial position

At 30 September 2013	Note	At 30 September 2013 £m	At 30 September 2012 Restated (Note 2) £m	At 2 October 2011 Restated (Note 2) £m
Non-current assets				
Goodwill	20	731.5	687.1	746.1
Other intangible assets	21	325.3	281.4	288.2
Property, plant and equipment	22	208.6	238.1	305.4
Investment property	23	5.4	6.8	21.6
Investments in joint ventures	24	134.9	137.3	16.3
Investments in associates	24	50.7	11.5	13.0
Available-for-sale investments	25	2.7	1.5	4.2
Trade and other receivables	27	11.2	14.6	30.7
Derivative financial assets	33	21.2	24.6	8.6
Deferred tax assets	36	170.9	204.7	200.6
		1,662.4	1,607.6	1,634.7
Current assets				
Inventories	26	25.2	28.3	23.1
Trade and other receivables	27	302.8	328.7	347.4
Current tax receivable	30	9.5	3.6	9.1
Derivative financial assets	33	18.9	8.9	1.1
Cash and cash equivalents	28	87.9	104.7	174.3
Total assets of businesses held-for-sale	19	9.1	71.7	–
		453.4	545.9	555.0
Total assets		2,115.8	2,153.5	2,189.7
LIABILITIES				
Current liabilities				
Trade and other payables	29	(711.9)	(656.8)	(655.2)
Current tax payable	30	(17.2)	(20.8)	(53.2)
Acquisition put option commitments	31	(0.8)	(4.5)	(1.1)
Borrowings	32	(2.0)	(49.9)	(29.3)
Derivative financial liabilities	33	(0.9)	(14.1)	(5.9)
Provisions	35	(55.3)	(34.2)	(49.7)
Total liabilities of businesses held-for-sale	19	(4.2)	(33.6)	–
		(792.3)	(813.9)	(794.4)
Non-current liabilities				
Trade and other payables	29	(4.1)	(8.1)	(11.9)
Acquisition put option commitments	31	(15.0)	(4.1)	(10.7)
Borrowings	32	(674.3)	(678.1)	(832.0)
Derivative financial liabilities	33	(23.9)	(34.9)	(60.9)
Retirement benefit obligations	34	(207.7)	(324.4)	(336.2)
Provisions	35	(40.0)	(14.4)	(12.5)
Deferred tax liabilities	36	(21.8)	(23.9)	(23.8)
		(986.8)	(1,087.9)	(1,288.0)
Total liabilities		(1,779.1)	(1,901.8)	(2,082.4)
Net assets		336.7	251.7	107.3

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Consolidated statement of financial position

Continued

As 30 September 2013

	Note	At 30 September 2013 £m	At 30 September 2012 Restated (Note 2) £m	At 2 October 2011 Restated (Note 2) £m
SHAREHOLDERS' EQUITY				
Called-up share capital	37	49.2	49.1	49.1
Share premium account	38	16.3	13.5	12.7
Share capital		65.5	62.6	61.8
Capital redemption reserve	38	1.1	1.1	1.1
Revaluation reserve	38	–	–	3.3
Shares held in treasury	38	(116.6)	(43.8)	(46.3)
Translation reserve	38	(37.0)	(32.6)	(42.5)
Retained earnings	38	310.1	169.1	49.6
Equity attributable to owners of the Company		223.1	156.4	27.0
Non-controlling interests	39	113.6	95.3	80.3
		336.7	251.7	107.3

The financial statements of DMGT plc (Company number 184594) on pages 74 to 168 were approved by the Directors and authorised for issue on 4 December 2013. They were signed on their behalf by:

Rothermere
M.W.H. Morgan
Directors

Financial Statements

Consolidated cash flow statement

For the year ending 30 September 2013

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 Restated (Note 2) £m
Operating profit before share of results of joint ventures and associates – continuing operations	3	209.7	143.6
Operating profit before share of results of joint ventures and associates – discontinued operations	18	10.8	15.3
Adjustments for:			
Share-based payments		13.3	13.2
Negative goodwill	16	(4.4)	–
Loss on disposal of fixed assets		1.0	–
Pension curtailment	4, 34	(3.8)	–
Pension charge less than cash contributions	3	(0.4)	(1.3)
Depreciation	4, 22, 23	49.4	83.4
Impairment of property, plant and equipment and investment property	4, 22, 23	1.5	7.2
Impairment of goodwill and intangible assets	4, 20, 21	8.3	19.4
Amortisation of intangible assets not arising on business combinations	4, 21	16.9	20.4
Amortisation of intangible assets arising on business combinations	4, 21	34.2	34.5
Operating cash flows before movements in working capital		336.5	335.7
Decrease/(increase) in inventories		3.1	(7.6)
Decrease/(increase) in trade and other receivables		36.3	(9.6)
Increase in trade and other payables		31.0	40.0
Increase/(decrease) in provisions		8.7	(7.2)
Additional payments into pension schemes		(31.1)	(63.8)
Cash generated by operations		384.5	287.5
Taxation paid		(38.0)	(37.8)
Taxation received		0.7	4.3
Net cash from operating activities		347.2	254.0
Investing activities			
Interest received		2.2	1.5
Dividends received from joint ventures and associates	24	5.6	4.3
Dividends received from available-for-sale investments	9	1.8	0.8
Purchase of property, plant and equipment	22	(27.7)	(60.2)
Expenditure on internally generated intangible fixed assets	21	(66.7)	(37.8)
Purchase of available-for-sale investments	25	(2.1)	(0.2)
Proceeds on disposal of property, plant and equipment		6.3	33.1
Proceeds on disposal of available-for-sale investments		0.7	2.0
Purchase of subsidiaries	16	(64.9)	(48.8)
Treasury derivative activities		(28.7)	(7.3)
Investment in joint ventures and associates	24	(4.9)	(11.5)
Loans advanced to joint ventures and associates		(5.7)	–
Proceeds on disposal of businesses	17	96.4	57.6
Proceeds on disposal of joint ventures and associates		–	54.4
Net cash used in investing activities		(87.7)	(12.1)

Financial Statements

Consolidated cash flow statement

Continued

For the year ending 30 September 2013

		Year ending 30 September 2013 £m	Year ending 30 September 2012 Restated (Note 2) £m
Financing activities			
Purchase of additional interests in controlled entities	16	(15.8)	(14.8)
Equity dividends paid	12, 38	(69.6)	(66.2)
Dividends paid to non-controlling interests	39	(9.1)	(9.6)
Issue of share capital	37, 38	2.9	0.8
Issue of shares by Group companies to non-controlling interests	39	2.3	1.5
Receipt from non-controlling interests		–	1.8
Purchase of own shares	38	(94.6)	(30.1)
Net receipt on exercise/settlement of subsidiary share options		10.9	16.1
Interest paid		(57.5)	(64.0)
Premium on redemption of bonds	10	–	(6.1)
Bonds redeemed	15	(46.4)	(110.0)
Loan notes repaid	15	(0.6)	(0.7)
Decrease in bank borrowings	15	–	(23.4)
Net cash used in financing activities		(277.5)	(304.7)
Net decrease in cash and cash equivalents	15	(18.0)	(62.8)
Cash and cash equivalents at beginning of year	28	107.3	171.7
Exchange loss on cash and cash equivalents	15	(0.8)	(1.6)
Net cash and cash equivalents at end of year	28	88.5	107.3

Financial Statements

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 179.

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 2013 (2012 year ending 30 September 2012).

Other than the Daily Mail, The Mail on Sunday, Metro and Wowcher businesses, the Group prepares accounts for a 52 week period ending 30 September. The 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 2012 Annual Report and Accounts, with the exception of a restatement of results, described below and as amended, where appropriate, by the new accounting standards 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 in the Financial and Treasury Review on pages 24 to 27, the Strategic Report on pages 8 to 23 and pages 28 to 29.

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 April 2016. 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

Restatement of results

In January 2013, the International Financial Reporting Standards Interpretations Committee (IFRIC) clarified the accounting treatment of contingent consideration contained within IFRS 3, Business Combinations. Following this clarification, contingent consideration for acquired subsidiaries, where the selling shareholders continue to be employed by the Group, but which is automatically forfeited upon termination of employment, is now required to be classified as remuneration for post-combination services. Prior to this revised guidance, the contingent consideration could be treated for accounting purposes as either consideration or remuneration depending on the substance of the transaction. The Group reached an overall conclusion based on a balanced assessment of all indicators, including whether payments were dependent on continuing employment and in two such instances determined that these amounts were consideration in nature rather than remuneration. Nevertheless the Group has now changed its accounting policy to conform with the revised guidance, and the full year comparatives have been restated. Since the Group considers these payments in substance to be an element of the cost of the investment they are excluded from adjusted profit.

This change of accounting treatment has been reflected in the Group's Consolidated Financial Statements retrospectively and the impact on the Consolidated Income Statement for the 52 weeks ending 30 September 2012 and 2 October 2011 and Consolidated Statement of Financial Position at 30 September 2012 and at 2 October 2011 is as follows:

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Notes to the accounts

Continued

2. Significant accounting policies continued

	Year ending 30 September 2012 £m	Year ending 2 October 2011 £m
Impact on Consolidated Income Statement		
Reduction in operating profit	(3.4)	(0.7)
Reduction in profit after tax	(3.4)	(0.7)
Reduction in earnings per share from continuing operations	p	p
Basic	(0.9)	(0.2)
Diluted	(0.9)	(0.2)
Adjusted	–	–
Impact on Consolidated Statement of Financial Position	£m	£m
Reduction in goodwill	(17.5)	(0.9)
Increase in creditors due in less than one year	1.7	1.0
Decrease in provisions due in more than one year	(14.9)	(1.0)

Change to year end date

Following the disposal of its local media segment the Group has changed the period end date to which it prepares consolidated financial statements from a 52 or 53 week financial period ending on a Sunday near to the end of September to a 52 week period ending on 30 September. Only the weekly cyclical businesses of the Daily Mail, The Mail on Sunday, Metro and Wowcher report to the Sunday closest to the end of September.

For the prior period, the Daily Mail, The Mail on Sunday, Metro and Wowcher businesses financial period end coincided with that of the Group's remaining businesses and consequently no adjustments were necessary.

Impact of new accounting standards

Standards not affecting the reported results or the financial position:

IAS 1, Presentation of Financial Statements clarifies that an entity may present the analysis of other comprehensive income by item in the Statement of Changes in Equity or in the notes to the financial statements. The Group currently reflects this analysis in the notes to the financial statements.

Standards affecting the reported results or the financial position:

IAS 19, (Revised) Employee Benefits has not been applied in these consolidated financial statements, since it is not yet effective. IAS 19 (Revised), will impact the measurement of various components in the defined benefit pension obligation and associated disclosures, but not the Group's total obligation. It is likely that following the replacement of expected returns on plan assets with a net finance cost in the Consolidated Income Statement, the profit for the year will be reduced and accordingly other comprehensive income increased.

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.

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.

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2. Significant accounting policies continued

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, Consolidated and Separate Financial Statements (Revised 2008), 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 a 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 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 CGU is less than its carrying amount, 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.

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 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 3.0% (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 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 intangible assets.

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.

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2. Significant accounting policies continued

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	

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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 national and local media divisions and the First In First Out method in the remaining divisions.

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.

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), the Company considers all aspects of the transaction 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 and amortisation and impairment of goodwill and acquired intangible assets

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 and similar items of a non-recurring nature.

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Continued

2. Significant accounting policies continued

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.

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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.

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 de-recognised 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 timeframe 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.

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2. Significant accounting policies continued

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.

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 £1,056.8 million (2012 £968.5 million, 2011 £1,034.3 million) after a net impairment charge of £8.3 million (2012 £19.4 million, 2011 £24.4 million) was recognised during the year (Notes 20 and 21).

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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 outstanding contingent consideration payable amounting to £26.2 million (2012 £6.6 million, 2011 £10.8 million).

Contingent consideration payable is discounted to its fair value in accordance with applicable International Financial Reporting Standards. 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 in the current period, movements in the fair value of these liabilities are recorded in the Consolidated Income Statement in Financing.

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 £0.9 million (2012 £1.2 million, 2011 £1.6 million). During the year the Group has received £6.1 million of previously unrecognised contingent consideration.

Contingent consideration receivable is discounted to its fair value in accordance with applicable International Financial Reporting Standards.

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 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, expected rates of return on assets, 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 2013 was a deficit of £207.7 million (2012 £324.4 million, 2011 £336.2 million). Further details are given in Note 34.

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3. Segment analysis

The Group's business activities are split into six operating divisions: RMS, business information, events, Euromoney, national media and local media. 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 12 to 21.

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 other than the sale of newsprint and related services from the national media to the local media division which is at cost to the Group plus a margin where relevant. The amount of newsprint sold between segments during the year amounted to £4.3 million (2012 £20.7 million).

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, amortisation and impairment of goodwill and acquired intangible assets £m
RMS		175.4	1.1	176.5	56.5	(0.2)	56.7
Business information		292.5	0.1	292.6	54.6	(3.2)	57.8
Events		87.0	–	87.0	21.3	–	21.3
Euromoney		404.7	–	404.7	119.4	0.4	119.0
National media		793.0	9.0	802.0	94.3	14.0	80.3
Local media		48.9	–	48.9	18.0	10.8	7.2
		1,801.5	10.2	1,811.7	364.1	21.8	342.3
Corporate costs							(42.6)
Discontinued operations	18	(48.9)					(7.2)
		1,752.6					
Operating profit before exceptional operating costs, amortisation and impairment of goodwill and acquired intangible assets							292.5
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment							(40.3)
Impairment of goodwill and intangible assets	20, 21						(8.3)
Amortisation of acquired intangible assets arising on business combinations	21						(34.2)
Operating profit before share of results of joint ventures and associates							209.7
Share of results of joint ventures and associates	7						5.3
Total operating profit							215.0
Other gains and losses	8						27.6
Profit before net finance costs and tax							242.6
Investment revenue	9						18.0
Finance costs	10						(58.1)
Profit before tax							202.5
Tax	11						(37.8)
Profit from discontinued operations	18						47.9
Profit for the year							212.6

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets within the national media division comprised £111.7 million from newspapers, a loss of £12.0 million from digital assets and unallocated divisional central costs of £19.4 million.

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets within the national media division 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, Employee Benefits.

An analysis of the amortisation and impairment of goodwill and intangible assets, depreciation and impairment of investment property, property, plant and equipment, exceptional operating costs, investment income and finance costs 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 (Note 20, 21) £m	Exceptional operating costs, impairment of investment property and impairment of property, plant and equipment £m	Exceptional depreciation of property, plant and equipment (Note 22) £m	Depreciation of property, plant and equipment (Note 22, 23) £m	Investment revenue (Note 9) £m	Finance costs (Note 10) £m
RMS		(1.1)	–	–	–	–	(5.7)	0.1	–
Business information		(8.3)	(10.4)	–	(0.8)	–	(5.9)	0.9	(1.4)
Events		–	(3.8)	–	–	–	(0.4)	0.3	–
Euromoney		(0.3)	(16.8)	–	2.2	–	(3.9)	0.2	(8.3)
National media		(7.2)	(3.2)	(8.3)	(25.0)	(14.2)	(17.2)	0.0	(0.4)
Local media		–	–	–	3.6	–	–	–	–
		(16.9)	(34.2)	(8.3)	(20.0)	(14.2)	(33.1)	1.5	(10.1)
Corporate costs		–	–	–	(1.5)	(1.0)	(1.1)	16.5	(48.0)
		(16.9)	(34.2)	(8.3)	(21.5)	(15.2)	(34.2)	18.0	(58.1)
Relating to discontinued operations	18	–	–	–	(3.6)	–	–	–	–
Continuing operations		(16.9)	(34.2)	(8.3)	(25.1)	(15.2)	(34.2)	18.0	(58.1)

The Group's exceptional operating costs in the business 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 intangibles.

In the national media segment 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.

In the local media segment the £3.6 million credit largely relates to a pension curtailment gain following the disposal of Northcliffe Media.

The Group's tax charge includes a related credit of £3.7 million in relation to these items.

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3. Segment analysis continued

Year ending 30 September 2012

	Note	External revenue	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, amortisation and impairment of goodwill and acquired intangible assets Restated (Note 2) £m
RMS		163.2	0.3	163.5	55.9	(0.2)	56.1
Business information		253.2	–	253.2	47.1	(0.8)	47.9
Events		88.8	–	88.8	21.2	0.1	21.1
Euromoney		394.1	0.1	394.2	112.5	0.6	111.9
National media		847.5	33.4	880.9	81.3	3.8	77.5
Local media		212.7	0.1	212.8	26.0	–	26.0
Radio		–	–	–	9.5	9.5	–
		1,959.5	33.9	1,993.4	353.5	13.0	340.5
Corporate costs							(40.8)
Discontinued operations	18	(212.7)					(26.0)
		1,746.8					
Operating profit before exceptional operating costs, amortisation and impairment of goodwill and acquired intangible assets							273.7
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment							(76.5)
Impairment of goodwill and intangible assets	20, 21						(19.4)
Amortisation of acquired intangible assets arising on business combinations	21						(34.2)
Operating profit before share of results of joint ventures and associates							143.6
Share of results of joint ventures and associates	7						(1.8)
Total operating profit							141.8
Other gains and losses	8						114.4
Profit before net finance costs and tax							256.2
Investment revenue	9						10.8
Finance costs	10						(64.1)
Profit before tax							202.9
Tax	11						18.8
Profit from discontinued operations	18						54.8
Profit for the year							276.5

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets within the national media division comprised £109.8 million from newspapers, £3.2 million from digital and unallocated divisional central costs of £35.5 million.

Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets within the national media division included £3.9 million from operations in central Europe.

Included within corporate costs is a credit of £1.3 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, Employee Benefits.

An analysis of the amortisation and impairment of goodwill and intangible assets, depreciation and impairment of investment property, property, plant and equipment, exceptional operating costs, investment income and finance costs by segment is as follows:

Year ending 30 September 2012

	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 (Note 20, 21) £m	Exceptional operating costs, impairment of investment property and impairment of property, plant and equipment Restated (Note 2) £m	Exceptional depreciation of property, plant and equipment (Note 22) £m	Depreciation of property, plant and equipment (Note 22, 23) £m	Investment revenue (Note 9) £m	Finance costs (Note 10) £m
RMS		(1.2)	–	–	–	–	(5.2)	–	–
Business information		(8.2)	(8.8)	(16.0)	(1.4)	–	(5.9)	0.1	(0.1)
Events		–	(5.5)	–	(0.9)	–	(0.5)	1.2	–
Euromoney		(0.3)	(15.7)	–	(1.6)	(0.1)	(3.3)	0.2	1.0
National media		(10.7)	(4.2)	(3.4)	(25.2)	(38.4)	(22.0)	0.1	–
Local media		–	(0.3)	–	(9.9)	(0.5)	(1.8)	–	–
		(20.4)	(34.5)	(19.4)	(39.0)	(39.0)	(38.7)	1.6	0.9
Corporate costs		–	–	–	(8.9)	–	(5.7)	9.2	(65.0)
		(20.4)	(34.5)	(19.4)	(47.9)	(39.0)	(44.4)	10.8	(64.1)
Relating to discontinued operations	18	–	0.3	–	9.9	0.5	1.8	–	–
Continuing operations		(20.4)	(34.2)	(19.4)	(38.0)	(38.5)	(42.6)	10.8	(64.1)

The Group's exceptional operating costs represent closure and reorganisation costs in the national and local media segments amounting to £25.6 million, £2.7 million relating to contingent consideration required to be treated as remuneration and an impairment charge of £6.5 million on the closure of a print site.

In Euromoney, restructuring costs amount to £1.6 million following the reorganisation of certain group functions and recently acquired businesses.

Included in corporate costs is a charge of £8.2 million relating to consultancy services and an impairment charge of £0.7 million relating to investment property.

The Group's tax charge includes a related credit of £19.4 million in relation to these items.

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 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	Year ending 30 September 2012 Total £m	Year ending 30 September 2012 Discontinued operations (Note 18) £m	Year ending 30 September 2012 Inter-segment £m	Year ending 30 September 2012 Continuing operations £m
Sale of goods	740.0	(48.9)	–	691.1	786.0	(212.7)	–	573.3
Rendering of services	1,071.7	–	(10.2)	1061.5	1,207.4	–	(33.9)	1,173.5
	1,811.7	(48.9)	(10.2)	1,752.6	1,993.4	(212.7)	(33.9)	1,746.8

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.

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3. Segment analysis continued

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 geographic 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. Revenue in each geographic market in which customers are located is not disclosed as there is no material difference between the two.

Revenue is analysed by geographic area as follows:

	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	Year ending 30 September 2012 Total £m	Year ending 30 September 2012 Discontinued operations (Note 18) £m	Year ending 30 September 2012 Continuing operations £m
UK	1,047.3	(48.9)	998.4	1,234.9	(212.7)	1,022.2
Rest of Europe	66.1	–	66.1	68.2	–	68.2
North America	573.7	–	573.7	556.4	–	556.4
Australia	15.6	–	15.6	13.5	–	13.5
Rest of the World	98.8	–	98.8	86.5	–	86.5
	1,801.5	(48.9)	1,752.6	1,959.5	(212.7)	1,746.8

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) 2013 £m	Closing net book value of goodwill (Note 20) Restated (Note 2) 2012 £m	Closing net book value of goodwill (Note 20) Restated (Note 2) 2011 £m	Closing net book value of intangible assets (Note 21) 2013 £m	Closing net book value of intangible assets (Note 21) 2012 £m	Closing net book value of intangible assets (Note 21) 2011 £m
UK	230.3	212.2	258.1	70.9	57.8	76.3
Rest of Europe	13.2	15.3	10.5	27.0	26.7	4.7
North America	460.2	439.8	457.2	221.5	191.2	199.8
Australia	9.6	1.5	1.5	2.0	0.7	0.8
Rest of the World	18.2	18.3	18.8	3.9	5.0	6.6
	731.5	687.1	746.1	325.3	281.4	288.2

	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 property, plant and equipment (Note 22) 2011 £m	Closing net book value of investment property (Note 23) 2013 £m	Closing net book value of investment property (Note 23) 2012 £m	Closing net book value of investment property (Note 23) 2011 £m
UK	178.2	207.1	258.3	5.4	6.8	21.6
Rest of Europe	1.6	1.1	14.8	–	–	–
North America	26.9	27.7	30.1	–	–	–
Australia	0.3	0.3	0.2	–	–	–
Rest of the World	1.6	1.9	2.0	–	–	–
	208.6	238.1	305.4	5.4	6.8	21.6

The additions to non-current assets are analysed as follows:

	Goodwill (Note 20) Year ending 30 September 2013 £m	Goodwill (Note 20) Year ending 30 September 2012 Restated (Note 2) £m	Goodwill (Note 20) Year ending 2 October 2011 Restated (Note 2) £m	Intangible assets (Note 21) Year ending 30 September 2013 £m	Intangible assets (Note 21) Year ending 30 September 2012 £m	Intangible assets (Note 21) Year ending 2 October 2011 £m
RMS	–	–	–	34.6	17.6	5.2
Business information	26.6	16.0	6.6	30.7	22.5	11.3
Events	–	–	–	–	–	0.3
Euromoney	25.3	5.8	34.8	29.7	2.1	38.2
National media	0.3	7.8	–	10.3	33.0	9.4
Local media	–	0.1	–	–	0.5	–
	52.2	29.7	41.4	105.3	75.7	64.4

	Property, plant and equipment (Note 22) Year ending 30 September 2013 £m	Property, plant and equipment (Note 22) Year ending 30 September 2012 £m	Property, plant and equipment (Note 22) Year ending 2 October 2011 £m	Investment property (Note 23) Year ending 30 September 2013 £m	Investment property (Note 23) Year ending 30 September 2012 £m	Investment property (Note 23) Year ending 2 October 2011 £m
RMS	4.2	3.5	9.7	–	–	–
Business information	7.3	6.9	7.4	–	–	–
Events	0.6	0.6	0.6	–	–	–
Euromoney	2.7	1.7	3.5	–	–	–
National media	12.7	45.1	10.7	–	–	–
Local media	0.1	0.1	1.4	–	–	–
Centrally held	0.1	1.4	1.1	19.0	2.2	31.2
	27.7	59.3	34.4	19.0	2.2	31.2

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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 2013 Total £m	Year ending 30 September 2013 Discontinued operations (Note 18) £m	Year ending 30 September 2013 Continuing operations £m	Year ending 30 September 2012 Total Restated (Note 2) £m	Year ending 30 September 2012 Discontinued operations (Note 18) £m	Year ending 30 September 2012 Continuing operations Restated (Note 2) £m
Revenue		1,801.5	48.9	1,752.6	1,959.6	212.7	1,746.9
Decrease in stocks of finished goods and work in progress		(9.9)	–	(9.9)	(6.0)	–	(6.0)
Raw materials and consumables		(141.2)	(9.2)	(132.0)	(207.7)	(60.8)	(146.9)
Inventories recognised as an expense in the year		(151.1)	(9.2)	(141.9)	(213.7)	(60.8)	(152.9)
Staff costs	6	(632.0)	(17.7)	(614.3)	(685.0)	(83.0)	(602.0)
Pension scheme curtailments	34	3.8	3.8	–	–	–	–
Impairment of goodwill and intangible assets	20, 21	(8.3)	–	(8.3)	(19.4)	–	(19.4)
Amortisation of intangible assets	21	(34.2)	–	(34.2)	(34.5)	(0.3)	(34.2)
Amortisation of internally generated and acquired computer software	21	(16.9)	–	(16.9)	(20.4)	–	(20.4)
Promotion and marketing costs		(87.0)	(1.3)	(85.7)	(96.4)	(5.4)	(91.0)
Venue and delegate costs		(63.5)	–	(63.5)	(60.1)	–	(60.1)
Editorial and production costs		(159.3)	(2.1)	(157.2)	(165.6)	(8.3)	(157.3)
Distribution and transportation costs		(50.6)	(3.1)	(47.5)	(63.9)	(13.6)	(50.3)
Royalties and similar charges		(68.4)	–	(68.4)	(62.3)	–	(62.3)
Depreciation of property, plant and equipment	22, 23	(49.4)	–	(49.4)	(83.4)	(11.1)	(72.3)
Impairment of property, plant and equipment and investment property	22, 23	(1.5)	–	(1.5)	(7.2)	–	(7.2)
Rental of property		(19.9)	(0.2)	(19.7)	(24.2)	(2.5)	(21.7)
Other property costs		(36.3)	(0.9)	(35.4)	(42.1)	(4.5)	(37.6)
Rental of plant and equipment		(15.2)	(0.7)	(14.5)	(17.2)	(3.1)	(14.1)
Foreign exchange translation differences		(1.1)	–	(1.1)	0.9	–	0.9
Other expenses		(190.1)	(6.7)	(183.4)	(206.2)	(4.8)	(201.4)
Operating profit		220.5	10.8	209.7	158.9	15.3	143.6

5. Auditor's remuneration

	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Fees payable to the Company's auditor for the audit of the Company's annual accounts	0.4	0.4
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries pursuant to legislation	2.2	2.0
Audit services provided to all Group companies	2.6	2.4
Other services pursuant to legislation	0.2	0.3
Services relating to taxation	0.3	0.2
Information technology services	–	0.1
Other non-audit services	0.3	0.2
	0.8	0.8
Total remuneration	3.4	3.2

Fees payable to the Company's 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.

6. Employees

The average number of persons employed by the Group including Directors is analysed as follows:

	Year ending 30 September 2013 Number	Year ending 30 September 2012 Number
RMS	1,197	1,064
Business information	1,971	1,675
Events	339	410
Euromoney	2,324	2,263
National media	3,542	4,235
Local media	735	2,395
DMGT Board and head office	97	88
	10,205	12,130

Total staff costs comprised:

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Wages and salaries		543.6	593.6
Share-based payments	41	13.9	13.2
Social security costs		56.3	57.9
Pension costs	34, (i)	18.2	20.3
		632.0	685.0

(i) Pension costs are stated before curtailment gains and the expected return on pension scheme assets less interest on pension scheme liabilities.

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7. Share of results of joint ventures and associates

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 Restated (Note 2) £m
Share of profits from operations of joint ventures		13.6	3.2
Share of profits from operations of associates		8.2	0.3
Share of operating profits from joint ventures and associates (before exceptional operating costs, amortisation, impairment of goodwill, interest and tax)		21.8	3.5
Share of exceptional operating costs of joint ventures		–	(1.9)
Share of exceptional operating costs of associates		(0.6)	(0.5)
Share of amortisation of intangibles of joint ventures		(3.2)	(1.2)
Share of amortisation of intangibles of associates		(2.4)	(0.3)
Share of joint ventures' interest receivable		0.2	–
Share of associates' interest payable		(0.6)	(0.1)
Share of joint ventures' tax		(1.5)	–
Share of associates' tax		(0.9)	–
Impairment of carrying value of joint ventures	13, 24, (i)	(7.2)	–
Impairment of carrying value of associates	13, 24, (ii)	(0.3)	(1.3)
Share of results of joint ventures and associates		5.3	(1.8)
Share of results from operations of joint ventures		9.1	0.1
Share of results from operations of associates		3.7	(0.6)
Impairment of carrying value of joint venture	13, 24, (i)	(7.2)	–
Impairment of carrying value of associates	13, 24, (ii)	(0.3)	(1.3)
Share of results of joint ventures and associates		5.3	(1.8)

(i) Represents a £5.5 million write down in the carrying value of The Sanborn Map Company in the business information segment together with a £1.7 million write down in the value of Mail Today in the national media segment.

(ii) Represents a write down in the carrying value of the Group's investment in Posvanete AD in the national media segment. In the prior year represents a write down in the carrying value of Social Metrix in the national media segment.

8. Other gains and losses

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Loss on disposal of available-for-sale investments	(i)	–	(0.6)
Impairment of available-for-sale assets	25	–	(0.3)
Profit on disposal of property, plant and equipment	13	1.4	2.0
Profit on disposal of businesses	13, 17, (ii)	23.7	113.3
Recycled cumulative translation differences	13, 17, 38, (ii)	2.5	–
		27.6	114.4

(i) In the prior year represents the loss on disposal of the Group's investment in Herald Ventures.

(ii) Largely represented by the profit on sale of Central and Eastern European print and digital assets by the national 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 events segment. In the prior year represented by the £78.2 million profit on sale of The Digital Property Group in the national media segment and £34.6 million profit on sale of Evanta in the business information segment.

There is a tax charge of £nil (2012 £11.8 million) in relation to these items.

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9. Investment revenue

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Expected return on defined benefit pension scheme assets less interest on defined benefit pension scheme liabilities	34	14.9	8.5
Dividend income		1.8	0.8
Interest receivable from short-term deposits		1.3	1.5
		18.0	10.8

10. Finance costs

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Interest, arrangement and commitment fees payable on bonds, bank loans and loan notes		(57.1)	(59.5)
Premium on bond redemption	(i)	–	(6.1)
Change in fair value of derivative hedge of bond		(6.6)	2.2
Change in fair value of hedged portion of bond		6.6	(2.2)
Profit on derivatives, or portions thereof, not designated for hedge accounting		0.6	(0.4)
Finance charge on discounting of contingent consideration	35	(1.1)	(0.3)
Fair value movement of contingent consideration	13, 35	(5.0)	0.2
Fair value movement of undesignated financial instruments	13	7.4	–
Change in fair value of acquisition put options	13, 33	(2.9)	2.0
		(58.1)	(64.1)

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.

(i) In the prior year the Group bought back £110.0 million of its 7.5% bonds due 2013, incurring a premium of £6.1 million.

11. Tax

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
The (charge)/credit on the profit for the year consists of:			
UK tax			
Corporation tax at 23.5% (2012 25.0%)		(7.2)	(4.3)
Adjustments in respect of prior years		(1.5)	43.0
		(8.7)	38.7
Overseas tax			
Corporation tax		(19.7)	(31.9)
Adjustments in respect of prior years		(0.6)	(12.4)
		(20.3)	(44.3)
Total current tax		(29.0)	(5.6)
Deferred tax	36		
Origination and reversals of temporary differences		(3.2)	(24.0)
Adjustments in respect of prior years		(2.2)	39.1
Total deferred tax		(5.4)	15.1
Total tax (charge)/credit		(34.4)	9.5
Relating to discontinued operations	18	(3.4)	9.3
		(37.8)	18.8

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11. Tax continued

A deferred tax charge of £27.6 million (2012 credit £5.6 million) was recognised directly in the Consolidated Statement of Comprehensive Income. A deferred tax credit of £1.5 million (2012 charge £0.6 million) and a current tax credit of £2.1 million (2012 credit £0.6 million) was recognised directly in equity.

The tax charge for the year is lower than the standard rate of corporation tax in the UK of 23.5% (2012 25.0%) representing the weighted average annual corporate tax rate for the full financial year. The differences are explained below:

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 Restated (Note 2) £m
Profit on ordinary activities before tax – continuing operations		202.5	202.9
Profit before tax – discontinued operations		44.5	64.1
Total profit before tax		247.0	267.0
Tax on profit on ordinary activities at the standard rate		(58.0)	(67.6)
Effect of:			
Amortisation and impairment of goodwill and intangible assets		(4.7)	(6.3)
Other expenses not deductible for tax purposes		(4.2)	(6.3)
Additional items deductible for tax purposes		20.3	23.5
Recognition of previously unrecognised deferred tax assets		10.8	0.4
Effect of overseas tax rates		(8.0)	(14.6)
Effect of associates tax		3.0	1.4
Tax losses unrelieved		(8.2)	(15.2)
Write off/disposal of subsidiaries		22.8	31.3
Effect of change in tax rate		(5.0)	(6.3)
Adjustment in respect of prior years		(4.3)	69.7
Other		1.1	(0.5)
Total tax (charge)/credit on the profit for the year	13	(34.4)	9.5

The net prior year charge of £4.3 million (2012 credit £69.7 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 £51.8 million (2012 £39.0 million) and the resulting rate is 18.4% (2012 15.2%). The differences between the tax credit and the adjusted tax charge are shown in the reconciliation below:

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Total tax (charge)/credit on the profit for the year		(34.4)	9.5
Deferred tax on intangible assets and goodwill		(6.9)	(2.8)
Agreement of open issues with tax authorities		–	(41.6)
Tax on other exceptional items		(10.5)	(4.1)
Adjusted tax charge on the profit for the year	13	(51.8)	(39.0)

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 £0.8 million (2012 £1.9 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 2013 Pence per share	Year ending 30 September 2013 £m	Year ending 30 September 2012 Pence per share	Year ending 30 September 2012 £m
Amounts recognisable as distributions to equity holders in the year				
Ordinary shares – final dividend for the year ended 30 September 2012	12.4	2.5	–	–
A Ordinary Non-Voting Shares – final dividend for the year ended 30 September 2012	12.4	45.0	–	–
Ordinary shares – final dividend for the year ended 2 October 2011	–	–	11.7	2.5
A Ordinary Non-Voting Shares – final dividend for the year ended 2 October 2011	–	–	11.7	42.3
		47.5		44.8
Ordinary shares – interim dividend for the year ended 30 September 2013	5.9	1.2	–	–
A Ordinary Non-Voting Shares – interim dividend for the year ended 30 September 2013	5.9	20.9	–	–
Ordinary shares – interim dividend for the year ended 30 September 2012	–	–	5.6	1.1
A Ordinary Non-Voting Shares – interim dividend for the year ended 30 September 2012	–	–	5.6	20.3
		22.1		21.4
		69.6		66.2

The Board has declared a final dividend of 13.3p per Ordinary/A Ordinary Non-Voting Share (2012 12.4p) which will absorb an estimated £49.6 million (£47.5 million) of Shareholders' funds for which no liability has been recognised in these financial statements. It will be paid on 7 February 2014 to Shareholders on the register at the close of business on 29 November 2013.

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13. Adjusted profit and adjusted earnings before interest, tax, depreciation and amortisation (EBITDA)

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 Restated (Note 2) £m
Profit before tax – continuing operations	3	202.5	202.9
Profit before tax – discontinued operations	18	10.8	21.1
Profit on disposal of discontinued operations	18	33.7	43.0
Add back:			
Amortisation of intangible assets in Group profit from operations arising on business combinations – continuing operations	3	34.2	34.2
Amortisation of intangible assets in Group profit from operations arising on business combinations – discontinued operations	18	–	0.3
Amortisation of intangible assets in joint ventures and associates arising on business combinations – continuing operations	7	5.6	1.5
Amortisation of intangible assets in joint ventures and associates arising on business combinations – discontinued operations	18	–	3.2
Impairment of goodwill and intangible assets arising on business combinations – continuing operations	3	8.3	19.4
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment – continuing operations	3	40.3	76.5
Exceptional operating (gains)/costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment – discontinued operations	18	(3.6)	10.4
Share of exceptional operating costs of joint ventures		–	1.9
Share of exceptional operating costs of associates		0.6	0.5
Impairment of carrying value of joint venture	7	7.2	–
Impairment of carrying value of associate – continuing operations	7	0.3	1.3
Impairment of carrying value of associate – discontinued operations	18	–	0.3
Other gains and losses:			
Loss on disposal of available-for-sale investments	8	–	0.6
Profit on disposal of property, plant and equipment	8	(1.4)	(2.0)
Amounts provided against contingent consideration receivable on disposal	8	–	–
Profit on disposal of businesses and recycled cumulative translation differences	8	(26.2)	(113.3)
Impairment of available-for-sale assets	8	–	0.3
Loss on disposal of businesses – discontinued operations	18	–	0.1
Finance costs:			
Fair value movement of undesignated financial instruments	10	(7.4)	–
Change in fair value of acquisition put options	10	2.9	(2.0)
Fair value movement of contingent consideration	10	5.0	(0.2)
Tax:			
Share of tax in joint ventures and associates – continuing operations		2.4	–
Share of tax in joint ventures and associates – discontinued operations	18	–	(1.6)
Profit from discontinued operations:			
Profit on disposal of discontinued operations	18	(33.7)	(43.0)
Adjusted profit before tax and non-controlling interests		281.5	255.4
Total tax (charge)/credit on the profit for the year	11	(34.4)	9.5
Adjust for:			
Deferred tax on intangible assets and goodwill	11	(6.9)	(2.8)
Agreed open issues with tax authorities	11	–	(41.6)
Tax on other exceptional items	11	(10.5)	(4.1)
Non-controlling interests		(29.6)	(27.3)
Adjusted profit after taxation and non-controlling interests		200.1	189.1

The adjusted non-controlling interests' share of profits for the year of £29.6 million (2012 £27.3 million) is stated after eliminating a credit of £6.2 million (2012 £4.6 million), being the non-controlling interests' share of adjusting items.

Earnings before interest, depreciation, amortisation and exceptional items (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. A reconciliation of EBITDA from operating profit is shown below and the ratio of net debt to EBITDA is disclosed in Note 33:

	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Continuing operations		
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and acquired intangible assets	292.5	273.7
Non exceptional depreciation charge	34.2	42.6
Amortisation of internally generated and acquired computer software	16.9	20.4
Operating profits from joint ventures and associates	21.8	3.5
Dividend income	1.8	0.8
Discontinued operations		
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and acquired intangible assets	7.2	26.0
Non exceptional depreciation charge	–	1.8
Share of profits from operations of joint ventures	–	9.5
EBITDA	374.4	378.3

14. Earnings per share

Basic earnings per share of 50.1p (2012 66.3p) and diluted earnings per share of 48.8p (2012 64.2p) are calculated, in accordance with IAS 33, Earnings per share, on Group profit for the financial year of £141.3 million (2012 £199.0 million) as adjusted for the effect of dilutive Ordinary Shares of £0.3 million (2012 £0.6 million) and earnings from discontinued operations of £47.9 million (2012 £54.8 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 53.0p (2012 49.4p) 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 £200.1 million (2012 £189.1 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 2013 Diluted earnings £m	Year ending 30 September 2012 Diluted earnings Restated (Note 2) £m	Year ending 30 September 2013 Basic earnings £m	Year ending 30 September 2012 Basic earnings Restated (Note 2) £m
Earnings from continuing operations	141.3	199.0	141.3	199.0
Effect of dilutive Ordinary Shares	(0.3)	(0.6)	–	–
Earnings from discontinued operations	47.9	54.8	47.9	54.8
	188.9	253.2	189.2	253.8

	Year ending 30 September 2013 Diluted pence per share	Year ending 30 September 2012 Diluted pence per share Restated (Note 2)	Year ending 30 September 2013 Basic pence per share	Year ending 30 September 2012 Basic pence per share Restated (Note 2)
Earnings per share from continuing operations	36.5	50.5	37.4	52.0
Effect of dilutive Ordinary Shares	(0.1)	(0.2)	–	–
Earnings per share from discontinued operations	12.4	13.9	12.7	14.3
Basic earnings per share from continuing and discontinued operations	48.8	64.2	50.1	66.3

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14. Earnings per share continued

Adjusted earnings per share

	Year ending 30 September 2013 Diluted pence per share	Year ending 30 September 2012 Diluted pence per share Restated (Note 2)	Year ending 30 September 2013 Basic pence per share	Year ending 30 September 2012 Basic pence per share Restated (Note 2)
Profit before tax – continuing operations	52.4	51.5	53.6	53.0
Effect of dilutive Ordinary Shares	(0.1)	(0.2)	–	–
Profit before tax – discontinued operations	2.8	5.4	2.9	5.5
Profit on disposal of discontinued operations	8.7	10.9	8.9	11.2
Add back:				
Amortisation of intangible assets in Group profit from operations arising on business combinations – continuing operations	8.8	8.7	9.1	8.9
Amortisation of intangible assets in Group profit from operations arising on business combinations – discontinued operations	–	0.1	–	0.1
Amortisation of intangible assets in joint ventures and associates arising on business combinations – continuing operations	1.4	0.4	1.5	0.4
Amortisation of intangible assets in joint ventures and associates arising on business combinations – discontinued operations	–	0.8	–	0.8
Impairment of goodwill and intangible assets arising on business combinations – continuing operations	2.2	4.9	2.2	5.1
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment – continuing operations	10.4	19.5	10.7	20.0
Exceptional operating (gains)/costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment – discontinued operations	(0.9)	2.6	(1.0)	2.7
Share of exceptional operating costs of joint ventures	–	0.5	–	0.5
Share of exceptional operating costs of associates	0.2	0.1	0.2	0.1
Impairment of carrying value of joint venture	1.9	–	1.9	–
Impairment of carrying value of associate – continuing operations	0.1	0.3	0.1	0.3
Impairment of carrying value of associate – discontinued operations	–	0.1	–	0.1
Other gains and losses:				
Loss on disposal of available-for-sale investments	–	0.2	–	0.2
Profit on disposal of property, plant and equipment	(0.4)	(0.5)	(0.4)	(0.5)
Profit on disposal of businesses and recycled cumulative translation differences	(6.8)	(28.8)	(6.9)	(29.6)
Impairment of available-for-sale assets	–	0.1	–	0.1
Finance costs:				
Fair value movement of undesignated financial instruments	(1.9)	–	(2.0)	–
Change in fair value of acquisition put options	0.7	(0.5)	0.8	(0.5)
Fair value movement of contingent consideration	1.3	(0.1)	1.3	(0.1)
Tax:				
Share of tax in joint ventures and associates – continuing operations	0.6	–	0.6	–
Share of tax in joint ventures and associates – discontinued operations	–	(0.4)	–	(0.4)
Profit from discontinued operations:				
Profit on disposal of discontinued operations	(8.6)	(10.9)	(8.9)	(11.2)
Adjusted profit before tax and non-controlling interests	72.8	64.7	74.6	66.7
Total tax (charge)/credit on the profit for the year	(8.9)	2.4	(9.1)	2.5
Adjust for:				
Deferred tax on intangible assets and goodwill	(1.8)	(0.7)	(1.8)	(0.7)
Agreed open issues with tax authorities	–	(10.6)	–	(10.9)
Tax on other exceptional items	(2.7)	(1.0)	(2.8)	(1.1)
Non-controlling interests	(7.7)	(6.9)	(7.9)	(7.1)
Adjusted profit after taxation and non-controlling interests	51.7	47.9	53.0	49.4

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 2013 Number m	Year ending 30 September 2012 Number m
Number of Ordinary shares in issue	393.3	392.7
Shares held in Treasury	(15.8)	(9.9)
Basic earnings per share denominator	377.5	382.8
Effect of dilutive share options	9.3	10.9
Dilutive earnings per share denominator	386.8	393.7

15. Analysis of net debt

	Note	At 30 September 2012 £m	Cash flow £m	Fair value hedging adjustments £m	Foreign exchange movements £m	Other non-cash movements (ii) £m	At 30 September 2013 £m
Cash and cash equivalents	28	107.3	(18.0)	–	(0.8)	–	88.5
Debt due within one year							
Bonds	32	(47.3)	46.4	–	–	0.9	–
Loan notes	32	(2.6)	0.6	–	–	–	(2.0)
Debt due after one year							
Bonds	32	(678.1)	–	6.6	–	(2.8)	(674.3)
Net debt before effect of derivatives		(620.7)	29.0	6.6	(0.8)	(1.9)	(587.8)
Effect of derivatives on debt	(i)	7.7	(29.2)	(6.6)	42.9	–	14.8
Net debt		(613.0)	(0.2)	–	42.1	(1.9)	(573.0)

(i) 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 of borrowings into an alternative currency.

(ii) Other non-cash movements comprise the unwinding of the issue discount amounting to £1.6 million (2012 £1.4 million) and amortisation of issue costs of £0.3 million (2012 £0.2 million).

The net cash outflow of £18.0 million (2012 £62.8 million) includes a cash outflow of £21.5 million (2012 £40.5 million) in respect of operating exceptional items.

16. Summary of the effects of acquisitions

In December 2012, the business information segment acquired FirstSearch, a provider of environmental reports.

Provisional fair value of net assets acquired with FirstSearch:

	Book value £m	Provisional fair value adjustments £m	Provisional fair value £m
Goodwill	–	16.1	16.1
Intangible assets	–	7.6	7.6
Trade and other receivables	0.7	–	0.7
Cash and cash equivalents	0.1	–	0.1
Trade and other payables	(0.2)	–	(0.2)
Deferred tax	–	(1.8)	(1.8)
Net assets acquired	0.6	21.9	22.5

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16. Summary of the effects of acquisitions continued

Cost of acquisition:

	Cash paid in current period £m
Cash	22.5
Total consideration at fair value	22.5

FirstSearch contributed £3.8 million to the Group's revenue, £3.0 million to the Group's operating profit and £3.0 million to the Group's profit before tax for the year between the date of acquisition and 30 September 2013.

If the above acquisition had been completed on the first day of the financial year, FirstSearch would have contributed £5.1 million to the Group's revenue for the year and £3.4 million to the Group's profit before tax for the year.

In March 2013, Euromoney acquired Insider Publishing Limited, a provider of international insurance and reinsurance.

Provisional fair value of net assets acquired with Insider Publishing Limited:

	Book value £m	Provisional fair value adjustments £m	Provisional fair value £m
Goodwill	–	15.3	15.3
Intangible assets	–	10.7	10.7
Trade and other receivables	0.6	–	0.6
Cash and cash equivalents	3.5	–	3.5
Trade and other payables	(2.8)	–	(2.8)
Deferred tax	–	(2.3)	(2.3)
Net assets acquired	**1.3**	**23.7**	**25.0**

Cost of acquisition:

	Cash paid in current period £m
Contingent consideration	8.3
Cash	16.7
Total consideration at fair value	**25.0**

Insider Publishing Limited contributed £3.1 million to the Group's revenue, £1.5 million to the Group's operating profit and £2.4 million to the Group's profit before tax for the period between the date of acquisition and 30 September 2013.

If the above acquisition had been completed on the first day of the financial year, Insider Publishing Limited would have contributed £5.3 million to the Group's revenue for the year and £2.1 million to the Group's adjusted profit before tax for the year.

A summary of notable acquisitions completed during the year is as follows:

Name of acquisition	Segment	% voting rights acquired	Date of acquisition	Business description	Consideration £m	Intangible fixed assets acquired £m	Goodwill arising £m
TTI Technologies, LLC	Euromoney	87.20%	December 2012	Private membership organisation for executives leading technology innovation in global businesses	5.1	2.9	2.9
Insider Publishing Limited	Euromoney	100.00%	March 2013	International insurance and reinsurance	25.0	10.7	15.3
Centre for Investor Education Pty	Euromoney	75.00%	April 2013	Provider of strategic investment forums for the pension and investment industry	10.3	5.2	7.1
Beat the GMAT, LLC	Business information	100.00%	October 2012	Forum for on line business school applicants	1.6	0.6	1.2
Renaissance Environment Limited	Business information	100.00%	November 2012	Environmental risk management service provider	0.9	0.3	0.6
Excido Pty Limited (Edumate)	Business information	100.00%	February 2013	Provider of an on line student learning and management system	3.8	2.0	2.4
FirstSearch	Business information	100.00%	December 2012	Provider of environmental reports	22.5	7.6	16.1
Vessel Tracker	Business information	100.00%	April 2013	Provider of marine vessel tracking data	6.1	2.5	4.1

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)	–	52.2	52.2
Intangible assets	21	–	38.6	38.6
Property, plant and equipment	22	0.1	–	0.1
Trade and other receivables		4.1	–	4.1
Cash and cash equivalents		7.0	–	7.0
Trade and other payables		(10.6)	–	(10.6)
Corporation tax		(0.3)	–	(0.3)
Deferred tax	36	–	(5.5)	(5.5)
Net assets acquired		**0.3**	**85.3**	**85.6**
Non-controlling interest share of net assets acquired	39			(1.4)
Group share of net assets acquired				**84.2**

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16. Summary of the effects of acquisitions continued

Cost of acquisitions:

	Note	Non-cash £m	Cash paid in current period £m	Total £m
Contingent consideration	35, (ii)	14.8	–	14.8
Cash		–	65.0	65.0
Negative goodwill		4.4	–	4.4
Total consideration at fair value		**19.2**	**65.0**	**84.2**

(i) The amount of goodwill which is deductible for the purposes of calculating the Group's tax charge amounts to £nil.

(ii) 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 £26.8 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 £1,760.3 million and Group profit attributable to equity holders of the parent would have been £192.9 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 profits attributable to equity holders of the parent since the date of acquisition for companies acquired during the year amounted to £3.3 million.

Goodwill arising on the 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 2013 £m	Year ending 30 September 2012 £m
Cash consideration excluding acquisition expenses	15.8	14.8

During the year, the Group acquired additional shares in controlled entities amounting to £15.8 million (2012 £14.8 million). In addition, the Group opted to receive a scrip dividend from Euromoney Institutional Investor PLC (Euromoney) amounting to £nil (2012 £16.0 million) thereby acquiring a further 0% (2012 0.6%) of the issued ordinary share capital of Euromoney. 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 charge of £16.1 million (2012 £13.5 million).

Reconciliation to purchase of subsidiaries as shown in the Consolidated Cash Flow Statement:

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Cash consideration excluding acquisition expenses		65.0	47.7
Cash paid to settle contingent consideration in respect of acquisitions	35	6.9	7.7
Cash and cash equivalents acquired with subsidiaries		(7.0)	(6.6)
Purchase of subsidiaries		64.9	48.8

Cash paid in respect of contingent consideration relating to prior year acquisitions includes £1.4 million within business information and £2.6 million within Euromoney.

The businesses acquired during the year absorbed £5.6 million of the Group's net operating cash flows, £nil attributable to investing and £nil attributable to financing activities.

17. Summary of the effects of disposals

In November 2012 the Group announced it had reached agreement to sell its local media segment 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 net assets disposed were as follows:

	£m
Goodwill	6.0
Intangible assets	3.5
Property, plant and equipment	6.5
Trade and other receivables	23.7
Trade and other payables	(8.7)
Deferred tax	(0.2)
Net assets disposed	**30.8**
Profit on sale of businesses	33.7
	64.5

Satisfied by:	
Cash received	52.5
Cash received re working capital adjustment	16.4
Fair value of 38.7% investment in Local World	27.5
Provision for directly attributable costs	(18.1)
Directly attributable costs paid	(13.8)
	64.5

During the year the local media segment absorbed £7.9 million of the Group's net operating cash flows, paid £nil in respect of investing activities and paid £nil in respect of financing activities.

A summary of other notable disposals completed during the year were as follows:

Name of disposal	Segment	Date of disposal	Fair value of consideration £m
Central and Eastern European print and digital businesses	National media	November 2012	37.2

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17. Summary of the effects of disposals continued

The impact of all disposals of businesses on net assets was:

	Note	Prior year assets held for sale disposed in current year	Adjustment on sale	Other current year disposals	Total
Goodwill	19, 20	12.2	–	0.4	12.6
Intangible assets	19, 21	3.8	–	0.2	4.0
Property, plant and equipment	19, 22	17.7	–	0.3	18.0
Interests in joint ventures	19, 24	1.1	–	–	1.1
Interests in associates	19, 24	0.4	–	0.1	0.5
Inventories		0.6	–	0.2	0.8
Trade and other receivables		26.9	–	–	26.9
Cash at bank and in hand		2.6	–	(1.4)	1.2
Trade and other payables		(31.4)	16.4	(0.4)	(15.4)
Provisions		(2.2)	2.2	–	–
Deferred tax	19, 36	6.4	–	(6.5)	(0.1)
Net assets disposed		**38.1**	**18.6**	**(7.1)**	**49.6**
Profit on disposal of discontinued operations	18				33.7
Profit on disposal of businesses	8				26.2
					109.5

Satisfied by:		
Cash received		97.2
Cash received re working capital adjustment		16.4
Directly attributable costs paid		(16.0)
Fair value of 38.7% investment in Local World		27.5
Recycled cumulative translation differences	38	2.5
Provision for directly attributable costs		(18.1)
		109.5

Reconciliation to disposal of businesses as shown in the Consolidated Cash Flow Statement:

	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Cash consideration net of disposal costs	97.6	45.9
Cash received in the current year relating to businesses sold in the prior year	–	12.3
Cash and cash equivalents disposed with subsidiaries	(1.2)	(0.6)
Proceeds on disposal of businesses	96.4	57.6

The Group's tax charge includes £0.2 million (2012 £11.8 million) in relation to these disposals.

In addition, the Group's interest in Euromoney was diluted during the year by 0.2% (2012 0.1%). 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 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 £0.7 million (2012 credit £0.1 million).

All of the businesses disposed of during the year absorbed £9.2 million of the Group's net operating cash flows, had £nil attributable to investing and £nil attributable to financing activities.

18. Discontinued operations

In August 2012 the Group disposed of its 50.0% joint venture investment in dmg Radio Investments Pty Ltd for proceeds of A$86.2 million (£56.1 million). This business was one of the Group's operating segments and represented the only operation in the radio segment.

In November 2012 the Group announced that it had reached an agreement to sell its local media segment to Local World, a newly formed media group that will combine 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 Group's Consolidated Income Statement includes the following results from these discontinued operations:

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Revenue	3	48.9	212.7
Expenses		(41.7)	(184.9)
Depreciation		–	(1.8)
Operating profit before exceptional operating costs and amortisation and impairment of goodwill and intangible assets	3	7.2	26.0
Exceptional operating income/(costs)	3, 13	3.6	(10.4)
Amortisation of intangible assets		–	(0.3)
Operating profit before share of results of joint ventures and associates		10.8	15.3
Share of profits from operations of joint ventures		–	9.5
Share of amortisation of intangibles of joint ventures	13	–	(3.2)
Share of joint ventures' interest payable		–	(1.7)
Share of joint ventures' tax	13	–	1.6
Impairment of carrying value of associate	13	–	(0.3)
Total operating profit		10.8	21.2
Other gains and losses	13	–	(0.1)
Profit before tax	13	10.8	21.1
Tax charge	11	(1.5)	(9.3)
Profit after tax attributable to discontinued operations		9.3	11.8
Profit on disposal of discontinued operations	13, 17	33.7	43.0
Tax credit on profit on disposal of discontinued operations	11	4.9	–
Profit attributable to discontinued operations		**47.9**	**54.8**

Cash flows associated with discontinued operations comprises operating cash flows of £7.9 million (2012 £27.8 million), investing cash flows of £nil (2012 £nil) and financing cash flows of £nil (2012 £nil).

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19. Total assets and liabilities of businesses held-for-sale

The Group has agreed to dispose certain businesses in the national newspaper segment. The main classes of assets and liabilities comprising the operations classified as held-for-sale are set out in the table below. These assets and liabilities are recorded at their fair values with all losses taken to the Consolidated Income Statement.

In November 2012 the Group announced it had reached an agreement to sell its local media segment to Local World, a newly formed media group that will combine the Group's local media titles with those of Iliffe News and Media Limited. In addition, several of the Group's Central European businesses were sold following 30 September 2012. Accordingly the assets and liabilities of these businesses were disclosed separately on the face of the Consolidated Statement of Financial Position in the prior year.

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Goodwill	20	4.6	12.2
Intangible assets	21	–	3.8
Deferred tax	36	–	6.4
Property, plant and equipment	22	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	2.0	26.9
Cash and cash equivalents	28	0.6	2.6
Total assets associated with businesses held-for-sale		**9.1**	**71.7**
Trade and other payables	29	4.0	31.4
Provisions	35	0.2	2.2
Total liabilities associated with businesses held-for-sale		**4.2**	**33.6**
Net assets of the disposal group		**4.9**	**38.1**

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20. Goodwill

	Note	£m
Cost		
At 2 October 2011 Restated (Note 2)		999.0
Additions		29.7
Additions in relation to purchase of additional interests in controlled entities		1.1
Adjustment to previous year estimate of contingent consideration	35	0.6
Disposals		(121.7)
Classified as held-for-sale	19	(142.4)
Exchange adjustment		(14.3)
At 30 September 2012 Restated (Note 2)		752.0
Additions	16	52.2
Adjustment to previous year estimate of contingent consideration	35	0.4
Disposals	17	(0.5)
Classified as held-for-sale	19	(5.0)
Exchange adjustment		(2.8)
At 30 September 2013		796.3

	Note	£m
Accumulated impairment losses		
At 2 October 2011 Restated (Note 2)		252.9
Impairment	3	16.4
Disposals		(73.8)
Classified as held-for-sale	19	(130.2)
Exchange adjustment		(0.4)
At 30 September 2012 Restated (Note 2)		64.9
Impairment	3	0.4
Disposals	17	(0.1)
Classified as held-for-sale	19	(0.4)
At 30 September 2013		64.8
Net book value – 2011 Restated (Note 2)		746.1
Net book value – 2012 Restated (Note 2)		687.1
Net book value – 2013		731.5

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20. Goodwill continued

Goodwill impairment losses recognised in the year amounted to £0.4 million (2012 £16.4 million).

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 Inc., in the business information segment.

Genscape has a carrying value of £76.2 million (2012 £72.6 million) together with intangible assets with a carrying value of £28.5 million (2012 £25.6 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 2013. The Directors believe these to be reasonably achievable.

(i) Subsequent cash flows for one additional year increased in line with growth expectations of the business.

(iii) A discount rate of 12.5%.

(iv) Long-term nominal growth rates of 3.0%.

Using the above methodology the recoverable amount exceeded the total carrying value by £75.6 million (2012 £22.9 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 be increased by 5.36% (2012 1.60%) or the long-term growth rate would need to be reduced by 6.82% (2012 2.30%).

BCA has a carrying value of £142.8 million (2012 £143.2 million) together with intangible assets with a carrying value of £57.3 million (2012 £62.8 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 2013. 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 discount rate of 7.6%.

(iv) Long-term nominal growth rates of 0%.

Using the above methodology the recoverable amount exceeded the total carrying value by £109.0 million (2012 £176.2 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 be increased by 9.3% (2012 10.2%) or the long-term growth rate would need to be reduced by 24.8% (2012 12.7%).

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 2 October 2011	204.3
Exchange adjustment	(5.2)
At 30 September 2012	199.1
Exchange adjustment	(0.4)
At 30 September 2013	198.7

	Metal Bulletin plc £m
Accumulated impairment losses	
At 2 October 2011, 30 September 2012 and 30 September 2013	2.8
Net book value – 2011	201.5
Net book value – 2012	196.3
Net book value – 2013	195.9

The impairment charge is analysed by major CGU as follows:

CGU	Segment	Goodwill impairment £m	Intangible asset impairment £m	2013 Discount rate %	2012 Discount rate %	Reason for impairment charge
Villarenters	National media	0.4	–	9.5%	9.5%	Transferred to assets held for sale
Various	National media	–	7.9	n/a	n/a	Computer software and related IT assets no longer in use
Total		**0.4**	**7.9**			

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 i) £m	Other £m	Total £m
Cost							
At 2 October 2011		433.3	153.4	169.8	124.9	3.3	884.7
Additions		–	3.6	22.6	7.4	4.3	37.9
Internally generated		–	–	–	37.8	–	37.8
Disposals		–	(64.9)	(17.7)	(10.6)	–	(93.2)
Classified as held-for-sale	19	(137.6)	(0.3)	(37.6)	–	(0.5)	(176.0)
Exchange adjustment		(5.5)	(3.1)	(3.5)	(2.8)	(0.2)	(15.1)
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	16	0.2	10.6	23.3	4.5	–	38.6
Internally generated	(ii)	–	–	–	66.7	–	66.7
Disposals	17	(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

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21. Other intangible assets continued

	Note	Publishing rights, mastheads and titles £m	Brands £m	Customer related databases £m	Computer software (Note i) £m	Other £m	Total £m
Accumulated amortisation							
At 2 October 2011		311.0	109.4	102.4	72.0	1.7	596.5
Charge for the year		12.6	7.5	11.9	22.5	0.4	54.9
Impairment	3	–	–	–	3.0	–	3.0
Disposals		–	(54.8)	(16.2)	(9.7)	(0.1)	(80.8)
Classified as held-for-sale	19	(137.2)	(0.3)	(34.3)	–	(0.4)	(172.2)
Exchange adjustment		(2.5)	(1.6)	(1.2)	(1.3)	(0.1)	(6.7)
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	3	2.3	12.5	15.6	20.0	0.7	51.1
Impairment	3	–	–	–	7.9	–	7.9
Disposals	17	(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
Net book value – 2011		122.3	44.0	67.4	52.9	1.6	288.2
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

(i) The Group has reanalysed the analysis of other intangible assets following a review of underlying data.

(ii) Computer software includes internally generated intangible assets, not forming part of a business combination, as follows:

	Note	£m
Cost		
At 2 October 2011		104.7
Additions		37.8
Disposals		(5.5)
Exchange adjustment		(2.3)
At 30 September 2012		134.7
Analysis reclassifications		3.0
Additions		66.7
Disposals		(16.0)
Exchange adjustment		(1.8)
At 30 September 2013		186.6
Accumulated amortisation		
At 2 October 2011		57.0
Charge for the year		20.4
Impairment		3.0
Disposals		(4.6)
Exchange adjustment		(1.4)
At 30 September 2012		74.4
Analysis reclassifications		2.9
Charge for the year		16.9
Impairment		7.9
Disposals		(15.9)
Exchange adjustment	19	(0.2)
At 30 September 2013		86.0
Net book value – 2011		47.7
Net book value – 2012		60.3
Net book value – 2013		100.6

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 2 October 2011	5.2
Additions	17.5
Exchange adjustment	(0.7)
At 30 September 2012	22.0
Additions	46.3
Exchange adjustment	(1.3)
At 30 September 2013	67.0

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 2013 Carrying value £m	At 30 September 2012 Carrying value £m	At 2 October 2011 Carrying value £m	At 30 September 2013 Remaining amortisation period Years	At 30 September 2012 Remaining amortisation period Years	At 2 October 2011 Remaining amortisation period Years
BCA mastheads	Euromoney	48.5	52.9	59.4	22.8	23.8	24.8
Ned Davis Research Group customer relationships	Euromoney	21.1	23.4	25.6	9.8	10.8	11.8
Metal Bulletin mastheads	Euromoney	16.0	20.9	22.8	22.8	23.8	24.8
Genscape intellectual property	Business information	11.9	12.8	14.3	12.5	13.5	14.5
Associated Mediabase software	National media	12.8	15.1	20.7	3.7	4.7	4.9
BCA customer relationships	Euromoney	8.0	9.8	12.2	8.4	9.4	10.4
Evanta brand	Events	–	–	11.4	–	–	9.8
Hobsons	Business information	13.6	10.3	10.0	–	1.0	1.0
Quest customer relationships	Business information	5.8	7.4	8.9	4.0	5.0	6.0

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 2 October 2011		78.7	68.8	59.9	549.7	757.1
Additions		16.8	–	1.1	41.4	59.3
Disposals		(9.7)	(0.2)	(25.1)	(99.6)	(134.6)
Classified as held-for-sale	19	(9.6)	(0.2)	–	(79.4)	(89.2)
Owned by subsidiaries disposed		–	–	–	(1.1)	(1.1)
Transfers to investment property	23	(2.2)	–	–	–	(2.2)
Reclassifications		6.3	(35.0)	–	28.7	–
Exchange adjustment		–	(0.3)	(1.0)	(4.4)	(5.7)
At 30 September 2012		80.3	33.1	34.9	435.3	583.6
Owned by subsidiaries acquired	16	–	–	–	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	17	–	–	–	(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

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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 2 October 2011		12.8	34.3	39.5	365.1	451.7
Charge for the year	3	2.4	0.7	3.6	36.2	42.9
Accelerated charge		–	–	–	39.0	39.0
Impairment		–	–	–	6.5	6.5
Disposals		(2.1)	(0.2)	(24.9)	(89.8)	(117.0)
Classified as held-for-sale	19	(5.4)	–	–	(66.1)	(71.5)
Owned by subsidiaries disposed		–	–	–	(0.8)	(0.8)
Transfers to investment property	23	(1.3)	–	–	–	(1.3)
Reclassifications		12.2	(20.6)	–	8.4	–
Exchange adjustment		(0.1)	–	(0.3)	(3.6)	(4.0)
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	3, (i)	–	–	–	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
Net book value – 2011		65.9	34.5	20.4	184.6	305.4
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

(i) Mainly represents a reduction in the useful economic life of print assets in the national media segment following the Group's decision to relocate its Surrey Quays South London print facility to a new site in Thurrock, Essex.

The following table analyses assets in the course of construction included in property, plant and equipment above:

	Note	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 2 October 2011		–	0.1	1.2	1.2	2.5
Projects completed		–	–	–	(0.2)	(0.2)
Additions		15.1	–	–	22.0	37.1
At 30 September 2012		15.1	0.1	1.2	23.0	39.4
Additions	(i)	–	–	0.2	–	0.2
Projects completed		(15.1)	(0.1)	(1.4)	(21.8)	(38.4)
Disposals		–	–	–	(1.2)	(1.2)
At 30 September 2013		–	–	–	–	–

(i) Projects completed in the year relate mainly to the Group's printing operation in Thurrock, Essex.

23. Investment property

	Note	Freehold properties £m
Cost		
At 2 October 2011		49.8
Transfers from property, plant and equipment	22	2.2
Disposals		(24.8)
At 30 September 2012		27.2
Transfers from property, plant and equipment	22	19.0
Disposals		(18.8)
At 30 September 2013		27.4

	Note	Freehold properties £m
Accumulated depreciation and impairment		
At 2 October 2011		28.2
Transfers from property, plant and equipment	22	1.3
Disposals		(11.3)
Charge for the year	3	1.5
Impairment	3	0.7
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
Net book value – 2011		21.6
Net book value – 2012		6.8
Net book value – 2013		5.4

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23. Investment property continued

During the year a number of the Group's freehold properties ceased to be owner occupied and became subject to letting activity. In accordance with the Group's accounting policy these properties with a net book value of £4.6 million have been transferred out of property, plant and equipment and into investment property.

The fair value of the Group's investment properties as at 30 September 2013 was £6.3 million (2012 £7.6 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 £0.7 million (2012 £0.8 million). Direct operating expenses arising on the investment properties in the year amounted to £0.3 million (2012 £0.4 million). The leases 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 2 October 2011		45.3	(29.0)	16.3
Additions – cash		4.0	–	4.0
Additions – non-cash		125.4	–	125.4
Disposals	(i)	(25.4)	13.9	(11.5)
Classified as held-for-sale	19	(0.1)	(1.0)	(1.1)
Share of retained reserves		–	6.3	6.3
Dividends received		–	(3.9)	(3.9)
Exchange adjustment		1.5	0.3	1.8
At 30 September 2012		150.7	(13.4)	137.3
Additions – cash		1.2	–	1.2
Disposals		0.1	(0.1)	–
Share of retained reserves		–	9.1	9.1
Dividends received		–	(5.3)	(5.3)
Impairment	7	(7.2)	–	(7.2)
Exchange adjustment		(2.3)	2.1	(0.2)
At 30 September 2013		142.5	(7.6)	134.9

Summary aggregated financial information for the Group's joint ventures, extracted on a 100% basis from the joint ventures' own financial information as at 30 September 2013 is set out below:

	Year ending 30 September 2013 Revenue £m	Year ending 30 September 2013 Operating profit/(loss) £m	Year ending 30 September 2013 Total expenses £m	Year ending 30 September 2013 profit/(loss) for the year £m
Business information	14.5	(0.7)	(15.4)	(0.9)
National 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	At 30 September 2013 Current assets £m	At 30 September 2013 Current liabilities £m	At 30 September 2013 Non-current liabilities £m	At 30 September 2013 Net assets £m
Business information	6.7	9.5	(3.8)	(1.4)	11.0
National media	76.8	36.3	(14.9)	(2.0)	96.2
	83.5	45.8	(18.7)	(3.4)	107.2

	Year ending 30 September 2012 Revenue £m	Year ending 30 September 2012 Operating profit/(loss) £m	Year ending 30 September 2012 Total expenses £m	Year ending 30 September 2012 profit/(loss) for the year £m
Business information	12.5	(0.2)	(12.7)	(0.2)
National 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	At 30 September 2012 Current assets £m	At 30 September 2012 Current liabilities £m	At 30 September 2012 Non-current liabilities £m	At 30 September 2012 Net assets £m
Business information	8.5	5.8	(2.0)	(0.2)	12.1
National media	71.3	18.6	(8.2)	–	81.7
	79.8	24.4	(10.2)	(0.2)	93.8

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24. Investments in joint ventures and associates continued

	Year ending 2 October 2011 Revenue £m	Year ending 2 October 2011 Operating (loss)/profit £m	Year ending 2 October 2011 Total expenses £m	Year ending 2 October 2011 (loss)/profit for the year £m
Business information	2.6	0.4	(2.1)	0.5
National media	7.3	(8.9)	(16.3)	(9.0)
Radio	74.8	0.8	(76.6)	(1.8)
	84.7	(7.7)	(95.0)	(10.3)

	At 2 October 2011 Non-current assets £m	At 2 October 2011 Current assets £m	At 2 October 2011 Current liabilities £m	At 2 October 2011 Non-current liabilities £m	At 2 October 2011 Net assets/ (liabilities) £m
Business information	1.5	2.7	(0.3)	(0.8)	3.1
National media	0.6	5.4	(4.8)	(6.5)	(5.3)
Radio	89.3	21.3	(75.3)	(12.5)	22.8
	91.4	29.4	(80.4)	(19.8)	20.6

At 30 September 2013 the Group's joint ventures had capital commitments amounting to £nil (2012 £1.0 million, 2011 £0.1 million). There were no material contingent assets (2012 none, 2011 none). Net liabilities amounting to £nil (2012 £1.0 million, 2011 £nil) within the national media segment are held-for-sale.

Information on principal joint ventures from the latest available accounts:

		Principal activity	Year ended	Description of holding	Group interest%
Unlisted					
Zoopla Property Group Limited	(incorporated and operating in the UK)	Online property portal	30 September 2013	Ordinary	51.45%
Mail Today Newspapers Pvt. Limited	(incorporated and operating in India)	Publisher of classified publications	30 September 2013	Ordinary	26.00%
The Sanborn Map Company, Inc.	(incorporated and operating in the US)	Photogrammetric mapping and GIS data conversion	30 September 2013	Preferred stock	49.00%
TreppPort, Inc.	(incorporated and operating in the US)	Data analysis for CRE related exposure	30 September 2013	Ordinary	50.00%

The Group has joint management control of Zoopla Property Group Limited and this investment has therefore been treated as a joint venture.

	Note	Cost of shares £m	Share of post acquisition retained reserves £m	Total £m
Associates				
At 2 October 2011		32.8	(19.8)	13.0
Additions – cash		7.5	–	7.5
Share of retained reserves		–	(0.6)	(0.6)
Dividends received		–	(0.4)	(0.4)
Provision against carrying value		(1.6)	–	(1.6)
Disposals		(5.7)	0.1	(5.6)
Classified as held-for-sale	19	(0.5)	0.1	(0.4)
Exchange adjustment		(1.0)	0.6	(0.4)
At 30 September 2012		31.5	(20.0)	11.5
Additions – cash		3.7	–	3.7
Additions – non-cash	17	27.5	–	27.5
Loans capitalised		5.1	–	5.1
Share of retained reserves		–	3.8	3.8
Dividends received		–	(0.3)	(0.3)
Impairment	7	(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

The unrecognised share of losses of the Group's associates principally comprises £11.8 million (2012 £10.4 million) in relation to ITN.

Summary aggregated financial information for the Group's associates, extracted on a 100.0% basis from the associates' own financial information is set out below:

	Year ending 30 September 2013 Revenue £m	Year ending 30 September 2013 Operating profit/(loss) £m	Year ending 30 September 2013 Total expenses £m	Year ending 30 September 2013 Profit/(loss) for the year £m
RMS	1.8	(0.7)	(0.6)	1.2
Business information	17.6	(5.8)	(24.3)	(6.7)
Euromoney	2.4	1.1	(1.6)	0.8
National media	109.5	4.3	(106.3)	3.2
Local media	175.6	27.9	(166.3)	9.3
	306.9	26.8	(299.1)	7.8

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24. Investments in joint ventures and associates continued

	Year ending 30 September 2012 Revenue £m	Year ending 30 September 2012 Operating profit/(loss) £m	Year ending 30 September 2012 Total expenses £m	Year ending 30 September 2012 Profit/(loss) for the year £m
RMS	1.2	(0.8)	(1.9)	(0.7)
Business information	1.5	(3.0)	(4.4)	(2.9)
Euromoney	2.4	1.1	(1.5)	0.9
National media	176.9	4.5	(174.1)	2.8
	182.0	1.8	(181.9)	0.1

	Year ending 2 October 2011 Revenue £m	Year ending 2 October 2011 Operating (loss)/profit £m	Year ending 2 October 2011 Total expenses £m	Year ending 2 October 2011 (Loss)/profit for the year £m
RMS	1.1	0.1	(1.1)	–
Business information	8.4	(1.0)	(9.4)	(1.0)
Euromoney	1.9	0.8	(1.3)	0.6
National media	103.5	(5.6)	(106.3)	(2.8)
	114.9	(5.7)	(118.1)	(3.2)

Summary aggregated financial information for the Group's associates, extracted on a 100% basis from the associates' own financial accounts is set out below:

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/ (liabilities) £m
RMS	3.3	6.0	9.3	(0.1)	–	(0.1)	9.2
Business information	14.8	14.7	29.5	(19.5)	(3.7)	(23.2)	6.3
Events	–	0.5	0.5	(0.4)	–	(0.4)	0.1
Euromoney	–	0.9	0.9	(0.3)	–	(0.3)	0.6
National media	16.0	30.5	46.5	(31.3)	(68.8)	(100.1)	(53.6)
Local media	82.8	55.7	138.5	(36.1)	(25.3)	(61.4)	77.1
	116.9	108.3	225.2	(87.7)	(97.8)	(185.5)	39.7

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
Business 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
National 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 2 October 2011	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	0.1	3.9	4.0	(0.1)	–	(0.1)	3.9
Business information	1.8	6.4	8.2	(8.1)	(7.4)	(15.5)	(7.3)
Euromoney	–	0.6	0.6	(0.2)	–	(0.2)	0.4
National media	15.5	42.4	57.9	(42.9)	(91.4)	(134.3)	(76.4)
	17.4	53.3	70.7	(51.3)	(98.8)	(150.1)	(79.4)

At 30 September 2013 the Group's associates had capital commitments amounting to £nil (2012 £nil, 2011 £3.8 million). There were no material contingent liabilities (2012 none, 2011 none).

Information on principal associates from the latest available accounts:

		Principal activity	Year ended	Description of holding	Group interest%
Unlisted					
Local World	(incorporated and operating in the UK)	Publisher of local news	30 September 2013	Ordinary	38.70%
Real Capital Analytics, Inc.	(incorporated and operating in the US)	Provider of real estate information	30 September 2013	Preferred stock	39.73%
Xceligent, Inc.	(i) (incorporated and operating in the UK)	Provider of real estate information	30 September 2013	Preferred stock	50.64%
Independent Television News Limited	(incorporated and operating in the UK)	Independent TV news provider	31 December 2012	Ordinary	20.00%
Praedicat	(incorporated and operating in the US)	Provision of catastrophe risk analytics	30 September 2013	Preferred stock	29.60%

(i) 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 33.0% the Group has treated this investment as an associated undertaking.

Joint ventures and associates have been accounted for under the equity method using unaudited financial information to 30 September 2013. Net assets amounting to £nil (2012 £1.1 million) within the national media segment are held-for-sale.

25. Non-current assets – available-for-sale investments

	Note	Unlisted £m
At 2 October 2011		4.2
Additions		0.2
Disposals		(2.6)
Impairment charge	8	(0.3)
At 30 September 2012		1.5
Additions		2.1
Disposals		(0.7)
Exchange adjustment		(0.2)
At 30 September 2013		2.7

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 equity securities are recorded at cost less provision for impairment, as their fair values cannot be reliably measured.

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25. Non-current assets – available-for-sale investments continued

Information on principal available-for-sale investments, taken from the latest published accounts is as follows:

		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 Partnership	3.0%
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 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
Sterling	2.2	0.3	1.4
US dollar	0.5	0.9	2.5
Australian dollar	–	–	0.1
Euro	–	0.2	0.2
Other	–	0.1	–
	2.7	1.5	4.2

Interest analysis of available-for-sale investments:

	At 30 September 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
Non-interest bearing	2.7	1.5	4.2

26. Inventories

	Note	At 30 September 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
Raw materials and consumables		9.2	10.9	11.7
Work in progress		16.0	18.0	11.4
		25.2	28.9	23.1
Classified as held-for-sale	19	–	(0.6)	–
		25.2	28.3	23.1

27. Trade and other receivables

	Note	At 30 September 2013 £m	At 30 September 2012 Restated (Note 2) £m	At 2 October 2011 Restated (Note 2) £m
Current assets				
Trade receivables		217.6	255.7	254.9
Allowance for doubtful debts		(22.2)	(24.5)	(27.6)
		195.4	231.2	227.3
Prepayments and accrued income		89.8	109.9	103.8
Other debtors		19.6	14.5	16.3
		304.8	355.6	347.4
Classified as held-for-sale	19	(2.0)	(26.9)	–
		302.8	328.7	347.4
Non-current assets				
Prepayments and accrued income		2.4	6.0	4.7
Other debtors		8.8	8.6	26.0
		11.2	14.6	30.7
		314.0	343.3	378.1

During the year commercial and financial changes to terms and collections of certain national media newspaper's trade debtors, 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 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
At start of year	(24.5)	(27.6)	(29.1)
Impairment losses recognised	(5.5)	(8.2)	(7.4)
Amounts written off as uncollectable	1.6	7.0	5.1
Amounts recovered during the year	4.6	3.7	3.6
Owned by subsidiaries disposed	1.5	0.2	0.4
Exchange adjustment	0.1	0.4	(0.2)
At end of year	(22.2)	(24.5)	(27.6)

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 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
31 – 60 days	0.8	0.5	0.4
61 – 90 days	0.4	0.5	2.1
91 – 120 days	0.5	0.7	1.0
121 + days	16.4	18.2	22.0
Total	18.1	19.9	25.5

Included in the Group's trade receivables are debtors with a carrying value of £73.4 million (2012 £80.0 million, 2011 £77.2 million) which are past due at 30 September 2013 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.

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27. Trade and other receivables continued

Ageing of past due but not impaired receivables:

	At 30 September 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
1 – 30 days overdue	36.2	36.9	36.0
31 – 60 days overdue	15.6	19.6	18.8
61 – 90 days overdue	11.2	9.8	7.8
91 + days overdue	10.4	13.7	14.6
Total	73.4	80.0	77.2

The carrying amount of trade and other receivables approximates their fair value.

28. Cash and cash equivalents

	Note	At 30 September 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
Cash and cash equivalents		88.5	107.3	174.3
Classified as held-for-sale	19	(0.6)	(2.6)	–
		87.9	104.7	174.3
Cash and cash equivalents		88.5	107.3	174.3
Unsecured bank overdrafts	32	–	–	(2.6)
Cash and cash equivalents in the cash flow statement	15	88.5	107.3	171.7
Analysis of cash and cash equivalents by currency:				
Sterling		61.4	47.5	152.7
US dollar		4.6	23.1	6.8
Australian dollar		1.1	0.6	–
Canadian dollar		0.3	0.9	1.2
Euro		7.5	15.2	5.4
Other		13.0	17.4	8.2
		87.9	104.7	174.3
Analysis of cash and cash equivalents by interest type:				
Floating rate interest		87.9	104.7	174.3

The fair values of cash and cash equivalents equate to their book values.

29. Trade and other payables

	Note	At 30 September 2013 £m	At 30 September 2012 Restated (Note 2) £m	At 2 October 2011 Restated (Note 2) £m
Current liabilities				
Trade payables		59.2	54.4	66.4
Interest payable		26.6	28.3	33.9
Other taxation and social security		25.8	29.9	32.6
Other creditors		49.0	45.7	31.2
Accruals		254.0	258.9	235.9
Deferred income		301.3	271.0	255.2
Classified as held-for-sale	19	(4.0)	(31.4)	–
		711.9	656.8	655.2
Non-current liabilities				
Other creditors		4.1	8.1	11.9
		716.0	664.9	667.1

The carrying amount of trade and other payables approximates their fair value.

30. Current tax

	At 30 September 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
Corporation tax payable	17.2	20.8	53.2
Corporation tax receivable	(9.5)	(3.6)	(9.1)
	7.7	17.2	44.1

31. Acquisition put option commitments

	At 30 September 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
Current	0.8	4.5	1.1
Non-current	15.0	4.1	10.7
	15.8	8.6	11.8

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32. Borrowings

The Group's borrowings are unsecured and are analysed as follows:

	Other borrowings £m	Overdrafts £m	Bonds £m	Loan notes £m	Total £m
At 30 September 2013					
Within one year	–	–	–	2.0	2.0
Over five years	–	–	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
	–	–	725.4	2.6	728.0
At 2 October 2011					
Within one year	23.4	2.6	–	3.3	29.3
Between two and five years	–	–	158.3	–	158.3
Over five years	–	–	673.7	–	673.7
	–	–	832.0	–	832.0
	23.4	2.6	832.0	3.3	861.3

The Group's borrowings are analysed by currency and interest rate type as follows:

	Sterling £m	US dollar £m	Australian dollar £m	Total £m
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
At 2 October 2011				
Fixed rate interest	832.0	–	–	832.0
Floating rate interest	28.4	0.1	0.8	29.3
	860.4	0.1	0.8	861.3

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	Australian dollar £m	Euro £m	Other £m	Total £m
At 30 September 2013						
Analysed as:						
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						
Analysed as:						
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
At 2 October 2011						
Analysed as:						
Fixed rate interest	556.2	256.5	8.5	–	–	821.2
Floating rate interest	(195.2)	234.5	0.8	–	–	40.1
	361.0	491.0	9.3	–	–	861.3

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 contain 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 before 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 calculated in Note 33. These covenants were met at the relevant test dates during the year.

During the prior year the Company cancelled £90.0 million of its committed borrowing facilities which were surplus to the Group's requirements.

The Group's facilities and their maturity dates are as follows:

	At 30 September 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
Expiring in more than one year but not more than two years	–	–	90.0
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	–	–	300.0
Total bank facilities	300.3	300.7	390.0

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32. Borrowings continued

The following undrawn committed borrowing facilities were available to the Group in respect of which all conditions precedent had been met:

	At 30 September 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
Expiring in more than one year but not more than two years	–	–	36.4
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	–	–	291.1
Total undrawn committed bank facilities	299.8	298.3	327.5

The Group has issued standby letters of credit in favour of the Trustees of the Group's defined benefit pension fund amounting to £nil (2012 £nil, 2011 £53.6 million) together with other guarantees of £1.2 million (2012 £2.4 million, 2011 £9.3 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 2013 Fair value £m	At 30 September 2012 Fair value £m	At 2 October 2011 Fair value £m	At 30 September 2013 Carrying value £m	At 30 September 2012 Carrying value £m	At 2 October 2011 Carrying value £m	At 30 September 2013 Nominal value £m	At 30 September 2012 Nominal value £m	At 2 October 2011 Nominal value £m
2013	7.50	–	47.4	162.3	–	47.3	158.3	–	46.4	156.5
2018	5.75	351.9	344.2	307.6	309.2	307.4	304.1	324.7	324.7	324.7
2021	10.00	202.3	195.3	188.0	169.2	171.4	171.1	156.4	156.4	156.4
2027	6.375	207.8	193.2	177.5	195.9	199.3	198.5	200.0	200.0	200.0
		762.0	780.1	835.4	674.3	725.4	832.0	681.1	727.5	837.6

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 £3.1 million (2012 £3.5 million, 2011 £3.8 million), the unamortised premia £7.7 million (2012 £9.2 million, 2011 £10.5 million).

The fair value of the Group's bonds have been calculated on the basis of quoted market rates.

Further details of the Group's borrowing arrangements are set out in the Financial and Treasury Report on pages 24 to 27.

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 and Treasury Review on pages 24 to 27.

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 BB 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 interim internal target of Net Debt to EBITDA cover is 2.0 to 2.5 times whilst the limit imposed by its bank covenants is no greater than 3.75 times. On a bank covenant basis the ratio uses the average exchange rate in the calculation of net debt. The resultant Net Debt to EBITDA ratio is 1.56 times (2012 1.65 times, 2011 1.96 times). Using a closing rate basis for the valuation of net debt, the ratio was 1.53 times (2012 1.62 times, 2011 1.99 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 9.2 times (2012 6.72 times, 2011 6.36 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 70.0% to 80.0% 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:

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 Consolidated 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 Consolidated Income Statement. These interest rate swaps amount to £73.9 million (2012 £108.9 million, 2011 £75.0 million) with the Group paying floating rates of between 0.51% and 1.86% (2012 0.63% and 1.86%, 2011 1.24% and 1.61%).

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 Consolidated Income Statement. These interest rate swaps amount to US$67.0 million (2012 US$67.0 million, 2011 US$nil) with the Group receiving floating US dollar interest at rates of between 0.25% and 0.38% (2012 0.38% and 0.47%, 2011 nil% and nil%)

Cross currency fixed to fixed interest rate swaps amount to £72.4 million / US$128 million (2012 £158.4 million / US$288.0 million, 2011 £192.3 million / US$ 355.0 million) resulting in the Group paying fixed US dollar interest at rates of between 6.01% and 6.07% (2012 4.40% and 6.07%, 2011 4.40% and 6.07%).

The Group also had a number of outstanding interest rate caps amounting to US$100.0 million notional (2012 US$100.0 million, 2011 US$100.0 million) at a rate of 6.00% (2012 6.00%, 2011 6.00%).

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 2013. 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 division 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 39 days (2012 43 days, 2011 42 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.

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33. Financial instruments and risk management continued

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. Group policy is to have no more than £20.0 million deposited (or at risk) with any AA counterparty, £10.0 million for A rated counterparties.

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

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, £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 remeasured 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 ending 30 September 2013 were:

	At 2 October 2011 £m	Fair value movement gain/(loss) £m	At 30 September 2012 £m	Fair value movement gain/(loss) £m	At 30 September 2013 £m
Sterling interest rate swaps	8.3	2.2	10.5	(6.6)	3.9
Sterling debt	(8.3)	(2.2)	(10.5)	6.6	(3.9)
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 ending 30 September 2013. 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 ending 30 September 2013.

Derivatives not qualifying for hedge accounting

Derivatives not qualifying for hedge accounting represent forward contracts which provide a gain or loss equivalent to income tax payable or receivable on foreign exchange gains or losses incurred when intra group balances are translated to the closing rate at the year end. These contracts ('Tax Equalisation Swaps') are marked to market with the movement in fair value taken to income. Tax Equalisation Swaps are not capable of being designated as hedging instruments under IAS 39.

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	Derivative financial assets £m
At 30 September 2013				
Within one year	–	1.7	17.2	18.9
Between one and two years	–	0.7	–	0.7
Over five years	17.2	–	3.3	20.5
	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
At 2 October 2011				
Within one year	–	1.1	–	1.1
Between one and two years	1.9	0.2	–	2.1
Over five years	6.5	–	–	6.5
	8.4	0.2	–	8.6
	8.4	1.3	–	9.7

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33. Financial instruments and risk management continued

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 2013				
Within one year	(0.9)	–	–	(0.9)
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)
	(0.3)	(27.0)	(21.7)	(49.0)
At 2 October 2011				
Within one year	(4.7)	(0.8)	(0.4)	(5.9)
Between one and two years	(0.7)	(22.8)	–	(23.5)
Over five years	–	(37.4)	–	(37.4)
	(0.7)	(60.2)	–	(60.9)
	(5.4)	(61.0)	(0.4)	(66.8)

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 2013 it is estimated that an increase of 1.0% in interest rates would have reduced the Group's finance costs by £3.9 million (2012 increase £1.2 million, 2011 increase £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, at the year-end date.

At 30 September 2013 it is estimated that a decrease of 1.0% in interest rates would have increased the Group's finance costs by £5.7 million (2012 reduction £1.1 million, 2011 reduction £1.3 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 2013 it is estimated that a 10.0% strengthening of sterling against the US dollar would have increased the net gain taken to equity by £26.5 million (2012 £49.1 million, 2011 reduced the net loss by £55.6 million) and reduced the net loss taken to income by £1.4 million (2012 £nil, 2011 £nil). A 10.0% weakening of sterling against the US dollar would have reduced the net gain taken to equity by £29.3 million (2012 £53.6 million, 2011 increased the net loss by £64.0 million) and increased the net loss taken to income by £1.8 million (2012 £nil, 2011 £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 2013 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 £0.2 million (2012 £nil, 2011 £0.2 million).

At 30 September 2013 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 £0.2 million (2012 £nil, 2011 £0.2 million).

The carrying amounts and gains and losses on financial instruments are as follows:

	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	At 2 October 2011 Carrying amount £m	Year ending 2 October 2011 (Loss)/gain to income £m	Year ending 2 October 2011 (Loss)/gain to equity £m
Investments	2.7	1.8	(0.2)	1.5	0.5	(0.1)	4.2	2.7	4.4
Available-for-sale	2.7	1.8	(0.2)	1.5	0.5	(0.1)	4.2	2.7	4.4
Trade receivables	193.7	(0.7)	(1.0)	210.6	3.1	(3.1)	227.3	1.5	1.1
Other debtors	28.1	–	–	22.9	–	–	42.3	–	–
Cash and deposits	87.9	1.3	(0.8)	104.7	1.5	(1.7)	174.3	1.9	–
Loans and receivables	309.7	0.6	(1.8)	338.2	4.6	(4.8)	443.9	3.4	1.1
Interest rate swaps	17.2	(3.2)	–	23.7	4.5	–	8.4	2.3	–
Fixed to fixed cross currency swaps	3.3	–	–	1.4	–	–	–	–	–
Forward foreign currency contracts	19.6	0.3	1.9	8.4	(0.2)	19.8	1.3	0.2	2.0
Derivative assets in effective hedging relationships	40.1	(2.9)	1.9	33.5	4.3	19.8	9.7	2.5	2.0
Trade payables	(58.8)	–	3.6	(53.5)	–	8.4	(66.4)	–	(3.6)
Bank overdrafts	–	–	–	–	0.1	0.1	(2.6)	–	–
Bonds	(674.3)	(44.1)	–	(725.4)	(61.7)	–	(832.0)	(63.4)	–
Bank loans	–	(6.2)	–	–	(5.9)	–	–	(5.3)	–
Loan notes	(2.0)	–	–	(2.6)	–	–	(3.3)	(0.1)	–
Amounts payable under hire purchase contracts	–	–	–	–	–	–	–	(1.7)	–
Liabilities at amortised cost	(735.1)	(50.3)	3.6	(781.5)	(67.5)	8.5	(904.3)	(70.5)	(3.6)
Fixed to fixed cross currency swaps	(9.7)	(1.2)	(0.7)	(27.0)	(2.3)	12.8	(60.3)	(2.6)	(6.0)
Forward foreign currency contracts	(0.9)	0.3		(0.3)	(0.2)	5.4	(6.1)	1.5	(7.5)
Derivative liabilities in effective hedging relationships	(10.6)	(0.9)	(0.7)	(27.3)	(2.5)	18.2	(66.4)	(1.1)	(13.5)
Acquisition put option commitments	(15.8)	(2.9)	–	(8.6)	2.0	0.3	(11.8)	(0.5)	–
Interest rate swaps	(14.2)	5.0	–	(21.7)	(0.3)	–	–	–	–
Forward foreign currency contracts	–	–	–	–	–	–	(0.4)	–	–
Derivative liabilities not designated as hedging instruments	(30.0)	2.1	–	(30.3)	1.7	0.3	(12.2)	(0.5)	–
Total for financial instruments	(423.2)	(49.6)	2.8	(465.9)	(58.9)	41.9	(525.1)	(63.5)	(9.6)

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33. Financial instruments and risk management continued

Reconciliation of net gain or loss taken to equity:

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m	Year ending 2 October 2011 £m
Change in fair value of hedging derivatives	38	(1.0)	34.4	(18.3)
Fair value movement in available-for-sale assets	38	–	–	4.6
Translation of financial instruments of overseas operations		1.6	3.9	(2.7)
Transfer of gain on cash flow hedges from fair value reserves to Consolidated Income Statement	38	2.2	3.6	6.8
Total loss on financial instruments to equity		2.8	41.9	(9.6)

Reconciliation of net gain or loss taken through income to net finance costs:

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m	Year ending 2 October 2011 £m
Total loss on financial instruments to income		(49.6)	(58.9)	(63.5)
Add back:				
Impairment of trade receivables	27	0.7	(3.1)	(1.5)
Impairment of available-for-sale assets	8	–	0.3	0.2
Dividend income	9	(1.8)	(0.8)	(2.9)
Interest receivable from short-term deposits	9	(1.3)	(1.5)	(1.9)
Finance charge on discounting of contingent consideration	10	(1.1)	(0.3)	(0.4)
Fair value movement of contingent consideration	10	(5.0)	0.2	(1.7)
Net finance costs	10	(58.1)	(64.1)	(71.7)

The remaining undiscounted contractual liabilities and their maturities are as follows:

	Trade payables £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 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 10 years	–	(12.0)	(11.8)	–	(587.8)	–	–	(611.6)
Between 10 and 15 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 10 years	–	–	(23.9)	–	(622.1)	–	–	(646.0)
Between 10 and 15 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)
At 2 October 2011								
Within one year	(66.4)	–	(13.4)	(367.5)	(58.4)	(2.6)	(3.3)	(511.6)
Between one and two years	–	–	(126.0)	(16.2)	(209.3)	–	–	(351.5)
Between two and five years	–	–	(22.7)	–	(141.2)	–	–	(163.9)
Between five and 10 years	–	–	(37.8)	–	(656.4)	–	–	(694.2)
Between 10 and 15 years	–	–	(37.8)	–	(63.8)	–	–	(101.6)
Between 15 and 20 years	–	–	(130.8)	–	(209.2)	–	–	(340.0)
	–	–	(355.1)	(16.2)	(1,279.9)	–	–	(1,651.2)
	(66.4)	–	(368.5)	(383.7)	(1,338.3)	(2.6)	(3.3)	(2,162.8)

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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 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)

	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 2 October 2011								
Within one year	(511.6)	58.4	0.5	1.6	(8.8)	3.2	371.9	(84.8)
Between one and two years	(351.5)	52.8	0.4	1.7	–	0.2	118.6	(177.8)
Between two and five years	(163.9)	141.2	1.3	6.3	–	4.2	18.4	7.5
Between five and 10 years	(694.2)	175.3	1.3	0.4	–	7.0	30.7	(479.5)
Between 10 and 15 years	(101.6)	63.8	0.2	0.5	–	7.0	30.8	0.7
Between 15 and 20 years	(340.0)	9.2	0.1	0.1	–	(17.5)	110.9	(237.2)
	(1,651.2)	442.3	3.3	9.0	–	0.9	309.4	(886.3)
	(2,162.8)	500.7	3.8	10.6	(8.8)	4.1	681.3	(971.1)
Analysed as follows:								
Trade payables	(66.4)	–	–	–	–	–	–	(66.4)
Bank overdrafts	(2.6)	–	–	–	–	–	–	(2.6)
Loan notes	(3.3)	–	–	–	–	–	–	(3.3)
Bonds	(1,338.3)	500.7	3.8	10.6	(8.8)	–	–	(832.0)
Fixed to fixed cross currency swaps	(368.5)	–	–	–	–	3.6	304.6	(60.3)
Forward foreign currency contracts	(383.7)	–	–	–	–	0.5	376.7	(6.5)
	(2,162.8)	500.7	3.8	10.6	(8.8)	4.1	681.3	(971.1)

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 process (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 2013	Note	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets					
Available-for-sale financial assets	25	–	–	2.7	2.7
Derivative instruments in designated hedge accounting relationships	33	–	40.1	–	40.1
		–	40.1	2.7	42.8
Financial liabilities					
Fair value through profit and loss					
Acquisition put options	31	–	–	(15.8)	(15.8)
Derivative instruments not designated in hedge accounting relationships	33	–	(14.2)	–	(14.2)
Derivative instruments in designated hedge accounting relationships	33	–	(10.6)	–	(10.6)
		–	(24.8)	(15.8)	(40.6)

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33. Financial instruments and risk management continued

At 30 September 2012	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Available-for-sale financial assets	0.7	–	0.8	1.5
Derivative instruments in designated hedge accounting relationships	–	33.5	–	33.5
	0.7	33.5	0.8	35.0
Financial liabilities				
Fair value through profit and loss				
Acquisition put options	–	–	(8.6)	(8.6)
Derivative instruments not designated in hedge accounting relationships	–	(21.7)	–	(21.7)
Derivative instruments in designated hedge accounting relationships	–	(27.3)	–	(27.3)
	–	(49.0)	(8.6)	(57.6)

There were no transfers between categories in the year.

Reconciliation of level 3 fair value measurement of financial liabilities:

	Note	£m
At 30 September 2012		(8.6)
Settlements		0.1
Change in fair value of acquisition put option commitments in income	10	(2.9)
Additions		(4.4)
At 30 September 2013	31	(15.8)

The key input into the significant level 3 financial liabilities is the future profitability of the businesses to which the acquisition put options relate. The range of possible outcomes for the fair value of these options is £nil to £70.2 million (2012 £nil to £38.3 million, 2011 £nil to £39.2 million).

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 ending 30 September 2013 were £3.3 million (2012 £11.8 million, 2011 £16.5 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 recent legislation the Group has begun automatically enrolling relevant employees into the defined contribution pension plans. The Group has employed an external specialist to provide a platform for enrolling employees. Group entities will be staging progressively over the next three years with the first staging completed successfully on 1 September 2013.

For reporting years beginning on or after 1 January 2013, a revision to the International Accounting Standard 19 – Employee Benefits will become effective. IAS19 (Revised) will first apply to the Group for the year ending 30 September 2014. Had IAS19 (Revised) been applied at the year ending 30 September 2013, Finance Costs reported in the Consolidated Income Statement would have increased by £27.8 million (2012 £23.5 million, 2011 £25.1 million) with a corresponding decrease in the actuarial loss reported within cumulative actuarial (loss)/gain in the Consolidated Statement of Comprehensive Income.

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 de-linked 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 completed as at 31 March 2010, the Company has been making annual contributions of 10.0% or 15.0% of members' basic pay (depending on membership section) for HPS and 27.0% of pensionable pay for SEPF. In addition, the Company has agreed Recovery Plans involving a series of annual funding payments amounting to £265.9 million over a period to end on 5 October 2023. In accordance with these agreements, a payment of £36.7 million was made on 5 October 2011 and a payment of £24.0 million was made on 28 September 2012. A further payment of £11.6 million was made 5 October 2012. 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 2013. The triennial funding valuation of the main schemes as at 31 March 2013, is not expected to be completed until the first quarter of 2014.

Since the year end the Group has agreed, in principle, to a revised schedule of additional funding payments to the main schemes totalling £30.0 million per annum to 2020 and £24.0 million per annum thereafter until 2026, or until the schemes' actuary agrees the schemes are no longer in deficit, if shorter.

On 30 December 2012, the Company's disposal of Northcliffe Media Limited resulted in 1,038 (approximately 40%) of active members of the schemes ceasing employment and becoming deferred members of the schemes. This resulted in a curtailment gain of £3.8 million.

Following the disposal of Northcliffe Media Limited mentioned above, the Company agreed to make additional contributions of £30.0 million, including debts calculated in accordance with Section 75 of the Pensions Act 1995. Payments of £17.1 million were made during the year to 30 September 2013 with the balance of £12.9 million to be paid in January 2014.

Following the announcement of a buy-back programme of up to £100.0 million of shares in Autumn 2012, the Company agreed with the trustees that additional special contributions would be paid to the Schemes when the total value of shares bought-back exceeded £50 million. Contributions arising from this agreement during the year amounted to £1.8 million.

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.

Limited Partnership investment vehicle

The Company has 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 2027. 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 IAS19 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 at 30 September 2013 along with asset valuations and cash flow information from the schemes for the year to 30 September 2013.

A reconciliation of the net pension obligation reported in the Consolidated Statement of Financial Position is shown in the following table:

	At 30 September 2013 Schemes in deficit £m	At 30 September 2012 Schemes in deficit £m	At 2 October 2011 Schemes in deficit £m
Present value of defined benefit obligation	(2,169.7)	(2,089.0)	(1,921.1)
Assets at fair value	1,962.0	1,764.6	1,584.9
Deficit reported in the Consolidated Statement of Financial Position	(207.7)	(324.4)	(336.2)

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, 2012 and 2011 all schemes were in deficit.

The deficit for the year, set out above, excludes a related deferred tax asset of £42.3 million (2012 £74.6 million, 2011 £83.6 million).

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34. Retirement benefit obligations continued

A reconciliation of the present value of the defined benefit obligation is shown in the following table:

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m	Year ending 2 October 2011 £m
At start of year		(2,089.0)	(1,921.1)	(1,878.2)
Service cost		(8.8)	(12.0)	(17.2)
Service cost in respect of salary sacrifice		(3.5)	(4.9)	(5.5)
Interest cost		(89.7)	(97.7)	(91.7)
Curtailment		3.8	–	–
Member contributions		(0.2)	(0.5)	(0.2)
Benefit payments		91.5	85.0	87.1
Actuarial gain/(loss) as a result of:				
– changes in assumptions	38, 39	(80.8)	(116.7)	32.5
– membership experience	38, 39	7.0	(21.1)	(47.9)
At end of year		(2,169.7)	(2,089.0)	(1,921.1)

A reconciliation of the fair value of assets is shown in the following table:

	Note	At 30 September 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
Fair value of assets at start of year		1,764.6	1,584.9	1,606.8
Expected return on assets		104.6	106.2	104.1
Company contributions		43.8	82.0	35.2
Member contributions		0.2	0.5	0.2
Benefit payments		(91.5)	(85.0)	(87.1)
Actuarial movement	38, 39	140.3	76.0	(74.3)
Fair value of assets at end of year		1,962.0	1,764.6	1,584.9

The fair value of the assets held by the pension schemes and the long-term expected rate of return on each class of assets are shown in the following table:

	Equities	Bonds	Property	Other assets	Total
At 30 September 2013					
Value (£m)	1,137.8	586.0	201.8	36.4	1,962.0
% of assets held	57.99	29.87	10.29	1.85	100.00
Long-term rate of return expected (%)	8.20	3.80	6.70	3.80	6.70
At 30 September 2012					
Value (£m)	981.7	581.6	172.6	28.7	1,764.6
% of assets held	55.63	32.96	9.78	1.63	100.00
Long-term rate of return expected (%)	7.60	3.40	6.00	3.40	6.00
At 2 October 2011					
Value (£m)	849.2	562.3	157.3	16.1	1,584.9
% of assets held	53.60	35.50	9.90	1.00	100.00
Long-term rate of return expected (%)	8.30	4.30	6.80	4.30	6.70

Equities include hedge funds and infrastructure funds that have the same long-term expected rate of return.

The value of employer-related assets held on behalf of the schemes at 30 September 2013 was £13.1 million (0.67% of assets), (2012 £18.2 million – 1.03% of assets, 2011 £0.1 million – 0.00% of assets).

The assumption for the expected overall rate of return on assets is a weighted average of the expected returns for each asset class based on the proportion of assets held in each class at the beginning of the year. The expected return on bonds has been selected having regard to gross redemption yields at the start of the year. The expected returns on equities and property are based on a combination of estimated risk premiums over Government bond yields, the gross redemption yields on bonds, and consensus economic forecasts for future returns.

The actual return on plan assets was £244.9 million (2012 return of £182.2 million, 2011 return of £29.7 million) representing the expected return plus the associated actuarial gain or loss during the year.

The main financial assumptions are shown in the following table:

	As at 30 September 2013 %	As at 30 September 2012 %	As at 2 October 2011 %
Price inflation	3.20	2.40	3.00
Salary increases	3.00	2.40	2.90
Pension increases	3.00	2.40	2.90
Discount rate for scheme liabilities	4.60	4.40	5.20
Expected overall rate of return on assets	6.70	6.00	6.70

The discount rate for scheme liabilities 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 table below illustrates examples of the assumed average life expectancies from age 60 for the principal schemes:

	As at 30 September 2013 Future life expectancy from age 60 (years)	As at 30 September 2012 Future life expectancy from age 60 (years)	As at 2 October 2011 Future life expectancy from age 60 (years)
For a current 60-year old male member of the scheme	27.0	27.2	27.0
For a current 60-year old female member of the scheme	28.8	29.0	28.8
For a current 50-year old male member of the scheme	28.3	28.7	28.6
For a current 50-year old female member of the scheme	30.0	30.5	30.3

The amounts charged to the Consolidated Income Statement based on the above assumptions are shown in the following table:

	Note	As at 30 September 2013 £m	As at 30 September 2012 £m
Service cost		(8.8)	(12.0)
Service cost in respect of salary sacrifice		(3.5)	(4.9)
Curtailment	4	3.8	–
Charge to operating profit		(8.5)	(16.9)
Interest cost		(89.7)	(97.7)
Expected return on assets		104.6	106.2
Credit to net Finance costs	9	14.9	8.5
Total net charge to the Consolidated Income Statement		6.4	(8.4)

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34. Retirement benefit obligations continued

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 principle assumptions used above:

	As at 30 September 2013 £m	As at 30 September 2012 £m	As at 2 October 2011 £m
Mortality			
Change in pension obligation at 30 September 2013 from a 1 year change in life expectancy	82.4	77.2	71.0
Change in pension cost from a 1 year change	3.3	3.7	4.1
Inflation rate			
Change in pension obligation at 30 September 2013 from a 0.1% per annum change	31.3	30.4	27.7
Change in pension cost from a 0.1% per annum change	0.1	0.1	0.2
Discount Rate			
Change in pension obligation at 30 September 2013 from a 0.1% per annum change	33.4	33.8	31.0
Change in pension cost from a 0.1% per annum change	–	0.1	0.1

Amounts recognised in the Consolidated Statement of Comprehensive Income (SOCI) are shown in the following table:

	As at 30 September 2013 £m	As at 30 September 2012 £m	As at 2 October 2011 £m
Actuarial gain/(loss) recognised in SOCI	66.5	(61.8)	(89.6)
Cumulative actuarial loss recognised in SOCI at beginning of year	(282.6)	(220.8)	(131.2)
Cumulative actuarial loss recognised in SOCI at end of year	(216.1)	(282.6)	(220.8)

A history of experience gains and losses is shown in the following table:

	At 30 September 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m	At 3 October 2010 £m	At 4 October 2009 £m
Present value of defined benefit obligation	(2,169.7)	(2,089.0)	(1,921.1)	(1,878.2)	(1,901.8)
Fair value of scheme assets	1,962.0	1,764.6	1,584.9	1,606.8	1,471.4
Combined deficit in schemes	(207.7)	(324.4)	(336.2)	(271.4)	(430.4)
Experience adjustments on defined benefit obligation	(73.8)	(137.8)	(15.4)	57.5	(256.6)
Experience adjustments on fair value of scheme assets	140.3	76.0	(74.3)	89.4	(167.9)

The Group expects to contribute approximately £52.5 million to the schemes during the year to 30 September 2014 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 divisions.

The aggregate value of the Group personal pension plans and the remaining trust-based defined contribution pension plans was £65.8 million (2012 £50.3 million, 2011 £39.8 million) at the year end. The pension cost attributable to these plans during the year amounted to £3.0 million (2012 £1.9 million, 2011 £3.4 million).

Overseas pension plans

Overseas subsidiaries of certain Group divisions operate defined contribution retirement benefit plans, primarily in North America and Australia. The pension cost attributable to these plans during the year amounts to £2.9 million (2012 £1.4 million, 2011 £2.7 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.

Stakeholder pension

DMGT provides access to a stakeholder pension plan for relevant employees who are not eligible for the other pension schemes operated by the Group. These arrangements will be superceded when automatic enrolment begins in 2013.

35. Provisions

	Note	Contract discount £m	Coupon discount £m	Onerous leases £m	Re-organisation costs £m	Contingent consideration £m	Legal £m	Other (Note (ii)) £m	Total £m
Current liabilities									
At 2 October 2011		12.9	1.8	1.3	15.6	8.2	5.4	4.5	49.7
Additions		–	–	–	–	0.2	–	–	0.2
Charged during year		8.8	8.3	0.2	9.5	–	5.4	5.6	37.8
Utilised during year		(9.3)	(8.4)	(0.4)	(14.2)	–	(7.6)	(4.9)	(44.8)
Reclassification between categories		–	–	–	(1.4)	–	–	1.4	–
Transfer from non-current liabilities		–	–	0.3	–	0.2	–	1.2	1.7
Contingent consideration paid		–	–	–	–	(7.7)	–	–	(7.7)
Notional interest on contingent consideration		–	–	–	–	0.1	–	–	0.1
Adjustment to goodwill/ contingent consideration		–	–	–	–	(0.3)	–	–	(0.3)
Classified as held-for-sale	19	(0.2)	–	–	(1.4)	–	(0.3)	(0.3)	(2.2)
Exchange adjustment		–	0.1	(0.1)	0.1	–	(0.1)	(0.3)	(0.3)
At 30 September 2012		12.2	1.8	1.3	8.2	0.7	2.8	7.2	34.2
Additions	16	–	–	–	–	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	16	–	–	–	–	(4.5)	–	–	(4.5)
Notional interest on contingent consideration	10	–	–	–	–	0.2	–	–	0.2
Adjustment to goodwill/ contingent consideration	20, (i)	–	–	–	–	(0.5)	–	–	(0.5)
Fair value adjustment to contingent consideration	10	–	–	–	–	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

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35. Provisions continued

	Note	Onerous leases £m	Re-organisation costs £m	Contingent consideration £m	Other (Note (ii)) £m	Total £m
Non-current liabilities						
At 2 October 2011 Restated (Note 2)		2.9	3.9	2.6	3.1	12.5
Additions		–	–	3.4	–	3.4
Charged during year		0.2	(3.9)	–	3.8	0.1
Utilised during year		(0.1)		–	–	(0.1)
Transfer to current liabilities		(0.3)	–	(0.3)	(1.2)	(1.8)
Notional interest on contingent consideration		–	–	0.2	–	0.2
Adjustment to goodwill/contingent consideration		–	–	(0.3)	–	(0.3)
Fair value adjustment to contingent consideration		–	–	(0.2)	–	(0.2)
Exchange adjustment		0.1	–	0.5	–	0.6
At 30 September 2012 Restated (Note 2)		2.8	–	5.9	5.7	14.4
Additions	16	–	–	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	16	–	–	(2.4)	–	(2.4)
Notional interest on contingent consideration	10	–	–	0.9	–	0.9
Adjustment to goodwill/contingent consideration	20, (i)	–	–	0.9	–	0.9
Fair value adjustment to contingent consideration	10	–	–	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

(i) The adjustment to goodwill/contingent consideration relates to prior year acquisitions only.

(ii) Other current provisions principally of dilapidation provisions of £4.3 million (2012 £0.7 million, 2011 £0.4 million), provisions for national insurance of £2.1 million (2012 £1.4 million, 2011 £0.4 million) and loyalty programme provision of £5.5 million (2012 £nil, 2011 £nil).

Other non-current provisions principally of dilapidation provisions of £2.1 million (2012 £1.7 million, 2011 £1.6 million), provisions for national insurance of £nil (2012 £1.1 million, 2011 £1.1 million) and provision for remuneration following business combinations of £7.6 million (2012 £nil, 2011 £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 2013	At 30 September 2012 £m Restated (Note 2)	At 2 October 2011 £m Restated (Note 2)
Expiring in one year or less	9.2	0.7	8.2
Expiring between one and two years	13.1	0.8	0.4
Expiring between two and five years	3.9	5.1	2.2
	26.2	6.6	10.8

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 £26.8 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		–	27.8	(3.5)	–	(0.8)	–	0.3	23.8
Disclosed within non-current assets		7.6	42.2	(12.6)	(36.8)	(87.8)	(83.6)	(29.6)	(200.6)
At 2 October 2011		7.6	70.0	(16.1)	(36.8)	(88.6)	(83.6)	(29.3)	(176.8)
(Credit)/charge to income		(29.8)	4.9	(0.5)	(74.9)	72.1	7.9	6.0	(14.3)
(Credit)/charge to income due to change in tax rate		(0.8)	(3.0)	–	3.0	1.5	(1.7)	0.2	(0.8)
Credit to equity		–	–	(1.2)	–	–	(14.1)	1.8	(13.5)
Charge to equity due to change in tax rate		–	–	–	–	–	8.5	–	8.5
Owned by subsidiaries acquired		–	8.6	–	–	–	–	0.1	8.7
Owned by subsidiaries sold		1.3	(1.0)	–	–	0.2	–	1.2	1.7
Classified as held-for-sale	19	3.1	(0.2)	–	–	1.5	2.0	–	6.4
Exchange adjustment		0.1	(1.3)	–	1.5	0.5	–	(1.5)	(0.7)
At 30 September 2012		(18.5)	78.0	(17.8)	(107.2)	(12.8)	(81.0)	(21.5)	(180.8)
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)
(Credit)/charge to income	11	(4.3)	10.7	(0.3)	(10.2)	(12.6)	10.7	8.1	2.1
Charge/(credit) to income due to change in tax rate	11	2.7	(1.6)	1.0	5.3	0.9	(5.6)	0.6	3.3
Credit to equity	38,39	–	–	(1.4)	–	–	13.1	(0.1)	11.6
Charge to equity due to change in tax rate	38,39	–	–	–	–	–	14.5	–	14.5
Owned by subsidiaries acquired	16	–	5.5	–	–	–	–	–	5.5
Owned by subsidiaries sold	17	(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)
At 30 September 2013		(23.2)	92.3	(18.5)	(112.1)	(24.6)	(50.3)	(12.7)	(149.1)

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36. Deferred taxation continued

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 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
UK	43.9	39.6	56.2
Rest of Europe	1.4	–	–
North America	78.7	75.0	62.4
Australia	12.7	5.4	6.8
	136.7	120.0	125.4

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 none have an expiry date.

Included in the charge to income of £5.4 million (2012 credit £15.1 million, 2011 credit £27.2 million) is a charge of £1.5 million (2012 charge £9.3 million, 2011 credit £1.2 million) relating to discontinued operations.

Included in Other deferred tax are deferred tax assets of £nil (2012 £1.7 million, 2011 £3.2 million) in respect of capital losses and deferred tax liabilities of £nil (2012 £1.7 million, 2011 £3.2 million) in respect of revaluations and rolled over gains and £0.4 million (2012 £0.4 million, 2011 asset £5.3 million) in respect of financial instruments. The £0.1 million credit to equity (2012 charge of £1.9 million, 2011 credit of £1.7 million) relates entirely to financial instruments.

There is an unrecognised deferred tax asset of £54.8 million (2012 £79.1 million, 2011 £72.9 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 £92.4 million (2012 £62.4 million, 2011 £63.1 million). Of these assets none have an expiry date.

No deferred tax liability is recognised on temporary differences of £177.5 million (2012 £117.2 million, 2011 £79.8 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 2013 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.

37. Called up share capital

	Allotted, issued and fully paid At 30 September 2013 £m	Allotted, issued and fully paid At 30 September 2012 £m	Allotted, issued and fully paid At 2 October 2011 £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	46.6	46.6
	49.2	49.1	49.1

	Allotted, issued and fully paid At 30 September 2013 Number of shares	Allotted, issued and fully paid At 30 September 2012 Number of shares	Allotted, issued and fully paid At 2 October 2011 Number of shares
Ordinary shares	19,886,472	19,886,472	19,886,472
A Ordinary Non-Voting shares	373,687,330	373,073,648	372,774,648
	393,573,802	392,960,120	392,661,120

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 4.7 million A Ordinary Non-Voting shares, in order to satisfy incentive schemes. This represented 1.3% of the called up A Ordinary Non-Voting share capital at 30 September 2013.

The Company also purchased 10.4 million A Ordinary Non-Voting shares having a nominal value of £1.3 million to match obligations under incentive plans and as part of a £100.0 million share buy-back programme. The consideration paid for these shares was £68.2 million. Shares repurchased during the year represented 2.8% of the called up A Ordinary Non-Voting share capital at 30 September 2013.

At 30 September 2013 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 3,507,058 (2012 4,929,968 2011 5,399,633) A Ordinary Non-Voting shares.

38. Reserves

	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Share premium account		
At start of year	13.5	12.7
Issue of shares	2.8	0.8
At end of year	16.3	13.5
Capital redemption reserve		
At start and end of year	1.1	1.1
Revaluation reserve		
At start of year	–	3.3
Transfer to retained earnings	–	(3.3)
At end of year	–	–

	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Shares held in treasury		
At start of year	(43.8)	(46.3)
Purchase of own shares	(94.6)	(30.1)
Own shares released on vesting of share options	21.8	32.6
At end of year	(116.6)	(43.8)

The Group's investment in its own shares is classified within shareholders' funds as shares held in treasury. At 30 September 2013, this investment comprised the cost of 20,412,954 A Ordinary Non-Voting shares (2012 10,188,174 shares, 2011 9,728,174 shares). The market value of these shares at 30 September 2013 was £155.5 million (2012 £49.1 million, 2011 £35.3 million).

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
Translation reserve			
At start of year		(32.6)	(42.5)
Foreign exchange differences on translation of foreign operations		(2.0)	(22.6)
Translation reserves recycled to Consolidated Income Statement on disposals	17	(2.5)	(0.9)
Transfer of loss on cash flow hedges from translation reserve to Consolidated Income Statement		1.4	2.1
Change in fair value of cash flow hedges		(2.3)	1.9
Gain on hedges of net investments in foreign operations		1.0	29.4
At end of year		(37.0)	(32.6)

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.

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38. Reserves continued

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 Restated (Note 2) £m
Retained earnings			
At start of year		169.1	49.6
Net profit for the year		189.2	253.8
Dividends paid	12	(69.6)	(66.2)
Expenses incurred in relation to scheme of arrangement	44	(1.5)	–
Actuarial gain/(loss) on defined benefit pension schemes	34	66.0	(60.7)
Credit to equity for share-based payments		12.5	12.5
Settlement of exercised share options of subsidiaries		(11.0)	(15.6)
Initial recording of put options granted to non-controlling interests in subsidiaries	(i)	(3.0)	–
Transfer from revaluation reserves following disposal of properties previously revalued		–	3.3
Adjustment to equity following increased stake in controlled entity		(16.1)	(13.5)
Adjustment to equity following decreased stake in controlled entity		(0.7)	0.1
Current tax on items recognised in equity		1.4	0.4
Deferred tax on actuarial movement	36	(27.5)	5.4
Deferred tax on other items recognised directly in equity	36	1.3	
At end of year		310.1	169.1
At end of year – Total Reserves		173.9	107.3

(i) £3.0 million (2012 £nil, 2011 £7.1 million) 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.

39. Non-controlling interests

	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m
At start of year		95.3	80.3
Share of profit for the year		23.4	22.7
Dividends paid		(9.1)	(9.6)
Shares issued		2.3	1.5
Non-controlling interests arising from business combinations	16	1.4	–
Gain on hedges of net investments in foreign operations		1.4	1.9
Transfer of loss on cash flow hedges to Consolidated Income Statement		0.8	1.5
Change in fair value of cash flow hedges		(1.1)	1.2
Foreign exchange differences on translation of foreign operations		(2.4)	(3.8)
Actuarial gain/(loss) on defined benefit pension schemes	34	0.5	(1.1)
Credit to equity for share-based payments		0.3	0.7
Deferred tax on actuarial movement	36	(0.1)	0.2
Deferred tax on other items recognised directly in equity	36	0.2	(0.6)
Current tax on items recognised in equity		0.7	0.2
Adjustment to non-controlling interest following decreased stake in controlled entity		0.7	(0.1)
Adjustment to non-controlling interest following increased stake in controlled entity		0.6	(0.6)
Other transactions with non-controlling interests		–	0.9
Initial recording of put options granted to non-controlling interests in subsidiaries		(1.3)	–
At end of year		113.6	95.3

40. Commitments and contingent liabilities

Commitments

	At 30 September 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
Property, plant and equipment			
Contracted but not provided in the financial statements	0.2	0.7	17.4

At 30 September 2013 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	At 30 September 2013 Properties £m	At 30 September 2012 Properties £m	At 2 October 2011 Properties £m	At 30 September 2013 Plant and equipment £m	At 30 September 2012 Plant and equipment £m	At 2 October 2011 Plant and equipment £m
Within one year	28.0	27.9	28.2	2.8	5.9	7.3
Between one and two years	26.0	24.7	24.8	2.0	5.1	5.8
Between two and five years	61.5	56.9	59.7	2.3	3.4	7.1
After five years	69.9	66.4	74.9	–	–	–
	185.4	175.9	187.6	7.1	14.4	20.2

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 which are separately disclosed below.

	At 30 September 2013 £m	At 30 September 2012 £m	At 2 October 2011 £m
Within one year	12.0	12.6	10.3
Between one and two years	4.9	1.3	2.4
Between two and five years	1.2	0.8	0.2
	18.1	14.7	12.9

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 £65.1 million (2012 £76.8 million, 2011 £91.2 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 £59.1 million (2012 £68.6 million, 2011 £100.5 million).

Contingent liabilities

The Group has issued stand by letters of credit in favour of the Trustees of the Group's defined benefit pension fund amounting to £nil (2012 £nil, 2011 £53.6 million) together with other guarantees of £1.2 million (2012 £2.4 million, 2011 £9.3 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 the company and three of its employees in respect of an article published in one of the company's magazines, International Commercial Litigation, in November 1995. The writs were served on Euromoney Institutional Investor PLC (Euromoney) on 22 October 1996. Two of these writs have been discontinued. The total outstanding amount claimed on the two remaining writs is Malaysian Ringgits 82.4 million (£15.6 million) (2012 Malaysian Ringgits 82.3 million (£16.6 million), 2011 Malaysian Ringgits 82.0 (£16.5 million)). No provision has been made for these claims in these financial statements as the Directors do not believe Euromoney has any material liability in respect of these writs.

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41. Share-based payments

The Group offers a number of share-based remuneration schemes to certain Directors and employees. The principal schemes comprise share options under the DMGT, Euromoney and within DMG Information, Risk Management Solutions (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 ten years from the date of grant at a price equivalent to the market value of the respective shares at 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 70.

For equity-settled share-based payment transactions, IFRS 2 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:

Division	Scheme	Note	Year ending 30 September 2013 £m	Year ending 30 September 2012 £m	Year ending 2 October 2011 £m
DMGT	Executive Share Option Scheme		0.4	0.3	–
	Executive Bonuses		0.4	0.5	0.9
	Long-Term Incentive Plan		1.7	1.9	1.2
RMS			7.6	6.6	7.3
Euromoney	Capital Appreciation Plan		2.1	2.3	8.1
Business information			1.7	1.6	1.7
Other			–	–	0.2
Social security costs			4.2	1.2	1.4
		6	18.1	14.4	20.8

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, the share price volatility has been estimated, based upon relevant historic data in respect of the DMGT A Ordinary share prices.

Expected volatility has been estimated, based upon relevant historic 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 re-price any of its outstanding options during the year.

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 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 £	Year ending 2 October 2011 Number of share options	Year ending 2 October 2011 Weighted average exercise price £
Outstanding at 1 October 2012	1,401,480	6.44	1,737,745	6.43	1,815,807	6.43
Forfeited during the year	(512,030)	5.94	(336,265)	6.42	(78,062)	6.38
Exercised during the year	(10,000)	6.08	–	–	–	–
Outstanding at 30 September 2013	879,450	6.73	1,401,480	6.44	1,737,745	6.43
Exercisable at 30 September 2013	–	–	–	–	–	–
Exercisable at 1 October 2012	–	–	–	–	–	–

No share options were granted although options were forfeited by leavers during the year.

The options outstanding at 30 September 2013 had a weighted average remaining contractual life of 0.8 years (2012 1.3 years, 2011 2.3 years).

The inputs into the Black-Scholes model for options, granted since 7 November 2002 are as follows:

Date of grant	8 December 2003	6 December 2004
Market value of shares at date of grant (£)	6.08	7.24
Option price (£)	6.08	7.24
Number of share options outstanding	383,742	495,708
Term of option (years)	10.00	10.00
Assumed period of exercise after vesting (years)	6.50	6.50
Exercise price (£)	6.08	7.24
Risk-free rate (%)	4.80	4.50
Change in fair value of cash flow hedges	1.65	1.52
Volatility (%)	20.00	20.00
Fair value per option (£)	1.43	1.70

DMGT 2006 Executive Share Option Scheme

Under the 2006 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 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 £	Year ending 2 October 2011 Number of share options	Year ending 2 October 2011 Weighted average exercise price £
Outstanding at 1 October 2012	2,301,074	4.59	2,394,074	4.73	2,571,960	4.74
Granted during the year	188,250	5.27	370,000	3.96	266,000	5.39
Forfeited during the year	(148,564)	6.22	(164,000)	5.91	(48,000)	3.56
Exercised during the year	(603,682)	4.68	(299,000)	2.96	(221,703)	5.62
Expired during the year	–	–	–	–	(174,183)	5.05
Outstanding at 30 September 2013	1,737,078	4.71	2,301,074	4.59	2,394,074	4.73
Exercisable at 30 September 2013	918,828	4.71	1,183,647	5.15	1,100,647	5.97
Exercisable at 1 October 2012	1,183,647	5.15	1,100,647	5.97	838,579	6.47

Options were forfeited by leavers during the year.

The aggregate of the estimated fair values of the options granted during the year is £0.2 million (2012 £0.3 million, 2011 £0.3 million).

The options outstanding at 30 September 2013 had a weighted average remaining contractual life of 6.2 years (2012 6.5 years, 2011 6.8 years).

The inputs into the Black-Scholes model are as follows:

Date of grant	31 March 2006	5 July 2006	27 November 2006	17 December 2007	27 May 2008	24 November 2008
Market value of shares at date of grant (£)	6.98	6.11	6.88	5.05	4.02	2.50
Option price (£)	6.98	6.11	6.88	5.05	4.02	2.50
Number of share options outstanding	158,406	5,000	148,000	96,108	35,000	184,000
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	6.11	6.88	5.05	4.02	2.50
Risk-free rate (%)	4.50	4.80	4.30	4.30	4.30	3.00
Expected dividend yield (%)	1.72	2.01	1.90	2.84	3.66	5.89
Volatility (%)	20.00	20.00	20.00	20.00	20.00	40.00
Fair value per option (£)	1.53	1.44	1.51	1.18	0.92	0.56

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41. Share-based payments continued

Date of grant	26 January 2009	14 December 2009	6 December 2010	5 December 2011	27 June 2012	17 December 2012
Market value of shares at date of grant (£)	2.53	4.04	5.39	3.98	3.91	5.27
Option price (£)	2.53	4.04	5.39	3.98	3.91	5.27
Number of share options outstanding	62,887	229,427	260,000	270,000	100,000	188,250
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 (£)	2.53	4.04	5.39	3.98	3.91	5.27
Risk-free rate (%)	3.00	3.00	2.00	1.50	1.00	1.00
Expected dividend yield (%)	5.81	3.64	2.97	4.27	4.43	3.42
Volatility (%)	40.00	40.00	30.00	30.00	30.00	30.00
Fair value per option (£)	0.56	1.13	1.22	0.71	0.70	0.98

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 56 of 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 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 £	Year ending 2 October 2011 Number of share options	Year ending 2 October 2011 Weighted average exercise price £
Outstanding at 1 October 2012	1,227,394	–	951,445	–	429,625	–
Granted during the year	193,276	–	275,949	–	678,013	–
Exercised during the year	(530,140)	–		–	(156,193)	–
Outstanding at 30 September 2013	890,530	–	1,227,394	–	951,445	–
Exercisable at 30 September 2013	–	–	–	–	–	–
Exercisable at 1 October 2012	–	–	–	–	–	–

No share options expired or were forfeited during the year.

All of the outstanding options are grants to Directors. A further 400,000 options were granted to a former senior executive, other than a Director, all of which were exercised during the year.

DMGT Long-Term incentive Plan

Details of the terms and conditions relating to this scheme are set out in the remuneration report on page 62.

	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 £	Year ending 2 October 2011 Number of share options	Year ending 2 October 2011 Weighted average exercise price £
Outstanding at 1 October 2012	2,126,265	4.84	1,555,853	5.14	1,637,225	4.92
Granted during the year	694,489	5.27	643,614	4.37	595,695	5.59
Forfeited during the year	(422,952)	4.71	–	–	–	–
Exercised during the year	(33,147)	4.63	–	–	(356,890)	5.17
Expired during the year	–	–	(73,202)	7.06	(320,177)	4.81
Outstanding at 30 September 2013	2,364,655	4.96	2,126,265	4.84	1,555,853	5.14
Exercisable at 30 September 2013	–	–	–	–	–	–
Exercisable at 1 October 2012	–	–	–	–	–	–

No share awards were forfeited during the year.

The aggregate of the estimated fair values of the awards made during the year is £3.7 million (2012 £2.8 million, 2011 £3.3 million).

The awards outstanding at 30 September 2013 had a weighted average remaining contractual life of 2.6 years (2012 2.2 years, 2011 2.3 years).

Options under the DMGT Long-Term Incentive Scheme

The inputs into the Black-Scholes model are as follows:

Date of grant	1 January 2007	19 December 2009	19 December 2009	19 December 2009	19 December 2009
Market value of shares at date of grant (£)	7.17	4.04	4.04	4.04	4.04
Option price (£)	7.17	4.04	4.04	4.04	4.04
Number of share options outstanding	89,101	125,115	62,557	64,273	62,557
Term of option (years)	7.00	2.78	3.00	4.00	5.00
Assumed period of exercise after vesting (years)	–	–	–	–	–
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	4.30	3.00	3.00	3.00	3.00
Expected dividend yield (%)	1.82	3.64	3.64	3.64	3.64
Volatility (%)	20.00	40.00	40.00	40.00	40.00
Fair value per option (£)	5.45	4.04	4.04	4.04	4.04

Date of grant	19 December 2009	20 December 2010	20 December 2010	20 December 2010	20 December 2010
Market value of shares at date of grant (£)	4.04	5.59	5.59	5.59	5.59
Option price (£)	4.04	5.59	5.59	5.59	5.59
Number of share options outstanding	62,557	192,758	96,380	93,945	93,945
Term of option (years)	6.00	2.78	3.00	4.00	5.00
Assumed period of exercise after vesting (years)	–	–	–	–	–
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	2.86	2.86	2.86	2.86
Volatility (%)	40.00	30.00	30.00	30.00	30.00
Fair value per option (£)	4.04	5.59	5.59	5.59	5.59

Date of grant	20 December 2010	1 January 2011	13 February 2012	10 December 2012
Market value of shares at date of grant (£)	5.59	5.74	4.37	5.27
Option price (£)	5.59	5.74	4.37	5.27
Number of share options outstanding	93,945	17,421	721,470	588,631
Term of option (years)	6.00	3.00	5.00	5.00
Assumed period of exercise after vesting (years)	–	–	–	–
Exercise price (£)	Nil	Nil	Nil	Nil
Risk-free rate (%)	2.00	1.50	1.00	1.00
Expected dividend yield (%)	2.86	2.97	3.89	3.42
Volatility (%)	30.00	30.00	30.00	30.00
Fair value per option (£)	5.59	5.74	4.37	5.27

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41. Share-based payments continued

RMS options 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 has been 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 have no longer been awarded.

During fiscal year 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.

RSU expense is determined by the fair market value of RMS stock at the date of grant. The expense is amortized using an accelerated methods. 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 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$	Year ending 2 October 2011 Number of share options	Year ending 2 October 2011 Weighted average exercise price US$
Outstanding at 1 October 2012	2,890,562	46.59	4,570,290	45.67	3,878,417	43.52
Granted during the year	86,695	51.93	132,682	52.27	1,569,073	46.89
Forfeited during the year	(225,167)	46.67	(420,694)	46.59	(244,079)	46.66
Exercised during the year	(708,491)	45.87	(1,383,549)	44.17	(633,121)	36.89
Expired during the year	–	–	(8,167)	36.39	–	–
Outstanding at 30 September 2013	2,043,599	47.10	2,890,562	46.59	4,570,290	45.67
Exercisable at 30 September 2013	724,984	45.95	1,134,841	45.86	2,265,976	44.71
Exercisable at 1 October 2012	1,134,841	45.86	2,265,976	44.71	1,763,341	40.78

The weighted average share price at the date of exercise for share options exercised during the year was US$ 56.46 (2012 US$52.27, 2011 US$46.89).

The options outstanding at 30 September 2013 had a weighted average exercise price of US$47.10 (2012 US$46.59, 2011 US$45.67) and a weighted average remaining contractual life of 3.03 years (2012 3.27 years, 2011 4.06 years).

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	1,907	6,688	275,460	449,769	1,125,798
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

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Date of grant	During 2012	During 2013
Market value of shares at date of grant (US$)	52.27	56.46
Option price (US$)	52.27	56.46
Number of share options outstanding	132,282	51,695
Term of option (years)	4.75	4.64
Assumed period of exercise after vesting (years)	6–9	6–9
Exercise price (US$)	52.27	56.46
Risk-free rate (%)	1.25	1.09
Expected dividend yield (%)	3.05	3.01
Volatility (%)	35.15	33.52
Fair value per option (US$)	10.08	13.13

Expected volatility was determined by calculating the historical volatility of comparable companies.

Euromoney Capital Appreciation Plan 2010 (CAP 2010)

The CAP 2010 executive share option scheme was approved by shareholders on 21 January 2010. Each CAP 2010 award comprises two equal elements – an option to subscribe for Ordinary Shares of 0.25p each in the company at an exercise price of 0.25p per ordinary share, and a right to receive a cash payment. The awards will vest in two equal tranches. The first tranche of awards will become exercisable on satisfaction of the primary performance condition, but no earlier than February 2013 and lapse to the extent unexercised by 30 September 2020. The second tranche of awards becomes exercisable in the February following a subsequent financial year in which adjusted pre-tax profits of the Euromoney Group again equal or exceed £100.0 million (increased to £105.0 million following the acquisition of NDR), but no earlier than February 2014. The second tranche only vests on satisfaction of the primary performance condition and an additional performance condition. The number of options received under the share award of the CAP 2010 is reduced by the number of options vesting with participants from the 2010 Company Share Option Plan (see below). The primary performance condition was achieved in the 2011 financial year, two years earlier than expected, when adjusted pre-tax profits were £101.3 million. However, the internal rules of the plan prevent the awards vesting more than one year early so although the primary condition has been achieved the award pool will be allocated between the holders of outstanding awards by reference to their contribution to the growth in profits of the Group from the 2009 base year to the profits achieved in the 2012 financial year and these awards are expected to become exercisable in February 2013.

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 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 £	Year ending 2 October 2011 Number of share options	Year ending 2 October 2011 Weighted average exercise price £
Outstanding at 1 October 2012	2,719,801	0.0025	2,719,801	0.0025	2,719,801	0.0025
Granted during the year	440,630	0.0025	–	–	–	–
Exercised during the year	(1,432,443)	0.0025	–	–	–	–
Expired during the year	(7,674)	0.0025	–	–	–	–
Outstanding at 30 September 2013	1,720,314	0.0025	2,719,801	0.0025	2,719,801	0.0025
Exercisable at 30 September 2013	10,468	0.0025	–	–	–	–
Exercisable at 1 October 2012	–	–	–	–	–	–

The weighted average share price at the date of exercise for share options exercised during the year was £9.39 (2012 n/a, 2011 n/a).

The options outstanding at 30 September 2013 had a weighted average exercise price of £0.0025 (2012 £0.0025, 2011 £0.0025) and a weighted average remaining contractual life of 7.0 years (2012 8.0 years, 2011 9.0 years).

The aggregate of the estimated fair values of the options granted during the year is £nil (2012 £nil, 2011 £nil).

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41. Share-based payments continued

The inputs into the Black-Scholes model are as follows:

Date of grant	30 March 2010	30 March 2010
Market value of shares at date of grant (p)	501.00	501.00
Option price (p)	0.25	0.25
Number of share options outstanding	10,468	1,709,846
Term of option (years)	10.00	10.00
Assumed period of exercise after vesting (years)	4.00	5.00
Exercise price (p)	0.25	0.25
Risk-free rate (%)	2.28	2.75
Expected dividend yield (%)	7.00	7.00
Fair value per option (p)	4.37	4.20

Company Share Option Plan (CSOP 2010)

In parallel with the CAP 2010, the shareholders approved the CSOP 2010 UK and Canada at the AGM on 21 January 2010. The CSOP 2010 UK was approved by HM Revenue and Customs on 21 June 2010 and granted on 28 June 2010. The CSOP 2010 UK option enables each participant to purchase up to 4,972 shares in the company at a price of £6.03 per share, the market value at the date of grant. The options will vest and become exercisable at the same time as the corresponding share award under the CAP 2010 providing the CSOP option is in the money at that time and does not vest before 28 June 2013. The CSOP 2010 Canada, granted on 30 March 2010, enables each participant to purchase up to 19,960 shares in the company at a price of £5.01 per share, the market value at the date of grant. No option may vest after the date falling three months after the preliminary announcement of the results for the financial year ended 30 September 2019 and the option shall lapse to the extent unvested at the time. The CSOP has the same performance criteria as that of the CAP 2010 as set out above. The number of CSOP 2010 awards that vest proportionally reduce the number of shares that vest under the CAP 2010, the CSOP effectively a delivery mechanism for part of the CAP 2010 award. The CSOP 2010 option exercise price of £6.03 (UK) and £5.01 (Canada) will be satisfied by a funding award mechanism and results in the same net gain on the CSOP options (calculated as the market price of the company's shares at the date of exercise less the exercise price multiplied by the number of options exercised) delivered in the equivalent number of shares to participants as if the award had been delivered using £0.0025 CAP options.

	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	Year ending 2 October 2011 Number of share options	Year ending 2 October 2011 Weighted average exercise price
Outstanding at 1 October 2012	781,191	5.7200	781,191	5.7200	781,191	5.7200
Granted during the year	(223,243)	5.9400	–	–	–	–
Exercised during the year	(531,268)	5.6100	–	–	–	–
Expired during the year	(2,632)	6.0300	–	–	–	–
Outstanding at 30 September 2013	24,048	6.0300	781,191	5.7200	781,191	5.7200
Exercisable at 30 September 2013	–	–	–	–	–	–
Exercisable at 1 October 2012	–	–	–	–	–	–

The weighted average share price at the date of exercise for share options exercised during the year was £9.74 (2012 n/a, 2011 n/a).

The options outstanding at 30 September 2011 had a weighted average exercise price of £6.03 (2012 £5.72, 2011 £5.72) and a weighted average remaining contractual life of 6.38 years (2012 7.38 years, 2011 8.38 years).

The aggregate of the estimated fair values of the options granted during the year is £nil (2012 £nil, 2011 £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 (p)	603.34
Option price (p)*	603.34
Number of share options outstanding	24,048
Term of option (years)	9.38
Assumed period of exercise after vesting (years)	3.00
Exercise price (p)	603.34
Risk-free rate (%)	2.28%
Expected dividend yield (%)	7.00%
Fair value per option (p)	437.00

The number of CSOP 2010 awards that vest proportionally reduce the number of shares that vest under the CAP 2010, the CSOP 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 the company'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 Share-based payments 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 £1.9 million (2012 £8.1 million, 2011 £15.9 million).

1. Exercise price of Canadian CSOP is £5.01.
2. Net gain on the CSOP options is the market price of the company'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 Share-based 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 the Group and, from 2011, options held by employees over equity shares in Structured Retail Products Limited (previously Arete Consulting Limited), a subsidiary of the Group. The total carrying value at 30 September 2013 included in the Statement of Financial Position is a liability of £7.4 million (2012 £14.6 million, 2011 £10.3 million). Of these schemes, options with an intrinsic value of £nil (2012 £3,000, 2011 £7,000) had vested but are not yet exercised.

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 0.25p each in the company for an exercise price of 0.25p 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 year 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.

The 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 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 £	52 weeks ending 2 October 2011 Number of share options	52 weeks ending 2 October 2011 Weighted average exercise price £
Outstanding at 1 October 2012	70,114	0.0025	351,828	0.0025	335,606	0.0025
Granted during the year	(14,693)	0.0025	–	0.0025	334,997	0.0025
Exercised during the year	(55,421)	0.0025	(245,469)	7.3300	(313,765)	7.2700
Expired during the year	–	–	(36,245)	0.0025	(5,010)	0.0025
Outstanding at 30 September 2013	–	–	70,114	0.0025	351,828	0.0025
Exercisable at 30 September 2013	–	–	70,114	0.0025	351,828	0.0025
Exercisable at 1 October 2012	–	–	351,828	0.0025	335,606	0.0025

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41. Share-based payments continued

The weighted average share price at the date of exercise for share options exercised during the year was £9.28 (2012 £7.33, 2011 £7.27).

The options outstanding at 30 September 2013 had a weighted average exercise price of £nil (2012 £0.0025, 2011 £0.0025) and a weighted average remaining contractual life of nil years (2012 2.0 years, 2011 3.0 years).

The aggregate of the estimated fair values of the options granted during the year is £nil (2012 £0.2 million, 2011 £1.0 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% (2012 33.3%, 2011 33.3%) shareholding in Fortune Green Limited. During the year the Group received revenue for newsprint, computer and office services of £0.4 million (2012 £0.6 million, 2011 £0.5 million). The amount due from Fortune Green Limited at 30 September 2013 was £0.2 million (2012 £0.2 million, 2011 £0.2 million).

ANL has a 12.5% (2012 12.5%, 2011 12.5%) share in the Newspapers Licensing Agency ('NLA') from which royalty revenue of £3.3 million was received (2012 £3.8 million, 2011 £3.1 million) and £0.2 million receivable at the year end (2012 £0.4 million, 2011 £0.4 million). Commissions paid on this revenue total £0.6 million (2012 £0.7 million, 2011 £0.6 million). The amount due to the NLA at 30 September 2013 was £nil (2012 £0.1 million, 2011 £nil). Interest bearing loans of £0.4 million are due to ANL from NLA at 30 September 2013 (2012 £0.4 million, 2011 £0.4 million).

Northcliffe Media Holdings Limited has a 25.0% (2012 25.0%, 2011 25.0%) share in Hold the Front Page.co.uk Limited to which it provides payroll services. The amount due from Daily Mail and General Holdings Limited ('DMGH') to Hold the Front Page.co.uk Limited at 30 September 2013 was £0.1 million (2012 £nil, 2011 £nil).

DMGH has a 15.6% (2012 15.6%, 2011 15.6%) shareholding in The Press Association. During the year the Group received dividends of £1.7 million, services amounting to £2.6 million (2012 £3.8 million, 2011 £3.7 million) and the net amount due from the Press Association as at 30 September 2013 was £0.1 million (2012 £0.2 million, 2011 £0.1 million).

DMGH has a 38.7% (2012 nil%, 2011 nil%) shareholding in Local World, the media segment group formed in November 2012 which combined the Group's local media titles with those of Illife News and Media Limited. During the year the Group provided printing and newspaper services of £17.6 million (2012 £nil, 2011 £nil) to Local World. Local World provided staff and other services to the Group totalling £42.9 million (2012 £nil, 2011 £nil). During the year Local World were charged £0.9 million (2012 £nil, 2011 £nil) by the Group for rent and service charges in relation to leasehold and investment properties. The net amount due to the Group from Local World at 30 September 2013 was £3.9 million (2012 £nil, 2011 £nil).

During the year the Group received a dividend of £nil (2012 £0.4 million, 2011 £0.3 million) from Hasznaltauto kft, a joint venture.

During the year, Landmark Information Group Limited (Landmark) charged management fees of £0.3 million (2012 £0.3 million, 2011 £0.3 million) to Point X Limited, a joint venture, and recharged costs of £0.1 million (2012 £0.1 million, 2011 £0.1 million). Point X Limited received royalty income from Landmark of £0.1 million (2012 £0.1 million, 2011 £0.1 million) and the amount from Landmark at 30 September 2013 was £nil (2012 owed from Landmark £0.1 million, 2011 owed to Landmark £0.3 million).

Trepp LLC has a 50% interest in TreppPort LLC, a joint venture. During the year, Trepp LLC and Rockport Group made cash contributions of £1.2 million and £0.2 million respectively (2012 £nil and £nil, 2011 £0.6 million and £0.1 million respectively) to TreppPort LLC.

During the year, DMG Information Inc. received interest income of £0.4 million (2012 £nil, 2011 £nil)) on a loan to Xcelligent Inc., an associate. Interest bearing loans of £7.0 million are due to DMG Information Inc. from Xcelligent Inc. at 30 September 2013 (2012 £nil, 2011 £nil)

RMS Inc., has a 29.6% (2012 29.6%, 2011 nil%) interest in Praedicat, an associate. During the year RMS made a further investment in Praedict amounting to £0.8 million (2012 £1.5 million, 2011£nil).

ANL has a nil% shareholding (2012 100.0%, 2011 50.0%) in Globrix Limited (Globrix) and a 50.0% shareholding (2012 50.0%, 2011 50.0%) in Artirix Limited (Artirix). During the year, the Group recharged £nil (2012 £nil, 2011 £0.2 million) staff costs to Globrix and Globrix recharged the Group £nil (2012 £0.5 million, 2011 £0.6 million) for website development costs. The Group provided services totalling £nil (2012 £0.1 million, 2011 £nil) to Artirix, with £nil (2012 £nil, 2011 £nil) remaining due at 30 September 2013. At 30 September 2013 Globrix owed £nil to Artirix (2012 £nil, 2011 £1.1 million) and £nil to various Group companies (2012 £1.3 million, 2011 £0.2 million), and £nil was due from Artirix (2012 £nil, 2011 £nil) to Globrix.

During the period, Artirix received revenues of £nil from Globrix (2012 £0.5 million, 2011 £0.6 million). At 30 September 2013 Artirix owed £1.4 million to various Group companies (2012 £1.3 million, 2011 £1.9 million) and £nil to Globrix (2012 £nil, 2011 £nil). Artirix provided staff and other services to Teletext Holdings Limited (an associate company) totalling £nil, with £nil remaining due from Teletext Holdings Limited at 30 September 2013.

ANL had a 50.0% interest in Teletext Holdings Limited ('Teletext'). The Group provided services (under the Transitional Services Agreement) amounting to £nil (2012 £0.3 million, 2011 £nil) for the year, and £nil (2012 £0.1 million, 2011 £nil) was due from Teletext at 30 September 2013. VAT of £0.7 million (2012 £0.5 million, 2011 £nil) was paid by DMG Media Limited on behalf of Teletext and £nil was due from Teletext at 30 September 2013 (2012 £nil, 2011 £nil).

Artirix provided staff and other services to Teletext totalling £nil (2012 £0.2 million, 2011 £nil), with £nil (2012 £0.1 million, 2011 £nil) remaining due from Teletext at 30 September 2013.

Proceeds on the sale of Teletext Ltd to Teletext Holdings Ltd of £6.0 million are due to ANL as at 30 September 2013 (2012 £6.0 million, 2011 £nil).

ANL has a 50.8% (2012, 52.5%, 2011 nil%) shareholding in Zoopla Limited ('Zoopla'). During the year, listing services amounting to £0.2 million (2012 £1.0 million, 2011 £nil) were provided by Zoopla to ANL as part of a revenue share agreement, with £nil (2012 £0.2 million, 2011 £nil) remaining due to Zoopla at 30 September 2013. Net services (under the Transitional Services Agreement) provided by ANL totalled £0.3 million (2012 £0.2 million, 2011 £nil) for the year, £nil (2012 £5.4 million, 2011 £nil) of other transactional payments were made by ANL on behalf of Zoopla, with a balance of £nil (2012 £0.9 million, 2011 £nil) being due from Zoopla at 30 September 2013.

During the year, the Group received dividends of £5.3 million (2012 £nil, 2011 £nil) from Zoopla.

AN Mauritius Limited has a 26.0% (2012 26.0%, 2011 26.0%) interest in Mail Today Newspapers Pte Ltd (India). During the year, additional share capital of £1.1 million (2012 £2.3 million, 2011 £2.8 million) was invested in Mail Today, by AN Mauritius Limited.

ANL has a 34.7% (2012 30.0%, 2011 30.0%) interest in Social Metrix SA (Argentina). During the year, £nil (2012 £0.4 million, 2011 £0.9 million) additional share capital was invested by A&N International Media Limited.

ANL has a 50.0% (2012 50.0%, 2011 50.0%) shareholding in Northprint Manchester Limited. The net amount due to Associated Newspapers Limited for £5.8 million (2012 £5.8 million, 2011 £5.8 million) has been fully provided.

ANL has a 25.0% (2012 25.0%, 2011 nil%) shareholding in Extra Newspapers Limited to which it provided £nil (2012 £0.3 million, 2011 £nil) of funding during the year. This amount is due to ANL at 30 September 2013, with repayments commencing June 2014.

During the year, the Group received a dividend of £nil (2012 £3.5 million, 2011 £14.6 million) from dmg Radio Investments Pty Limited, a joint venture. This investment was sold in August 2012.

The Group received a dividend of £nil (2012 £0.3 million, 2011 £0.7 million) from Capital Net, an associate.

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Continued

43. Related party transactions continued

Other related party disclosures

During the year, the Group purchased the Ultimate Holding Company's share of Associated Newspapers North America Inc., for a consideration of £0.1 million.

During the year, the Group disposed of certain assets for consideration of £0.1 million to The Addison Road Settlement whose trustees are Lady Rothermere, wife of the Company's Chairman and David Nelson, a Non-Executive Director of the Company.

The Group has accrued rent and service charges payable to the Harmsworth Pension Scheme amounting to £0.3 million (2012 £nil, 2011 £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 the prior period.

At 30 September 2013 the Group owed £0.9 million (2012 £1.5 million, 2011 £1.2 million) to the pension schemes which it operates. his amount comprised employees' and employer's contributions in respect of September 2013 payrolls which were paid to the pension schemes in October 2013.

The Group recharges its principal pension schemes with costs of investment management fees. The total amount recharged during the year was £nil (2012 £0.2 million, 2011 £1.7 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, had been used to commit £10.8 million funding per annum to the Harmsworth Pension Scheme. Interest payable to DMG Pension Partnership Limited Liability Partnership in the year totalled £11.2 million (2012 £2.8 million, 2011 £nil).

44. Post balance sheet events

Following the year end the Company announced a recommended scheme of arrangement which resulted in Rothermere Continuation Limited ('RCL') holding all of the issued A Ordinary voting share capital of DMGT not already owned by RCL (the 'Scheme'). An application has been made to the UK Listing Authority requesting the cancellation of the listing of DMGT Ordinary shares on the Official List and an application has been made to the London Stock Exchange requesting the cancellation of trading of DMGT Ordinary shares on the London Stock Exchange's main market for listed securities. As a result of the allotment of 268,538 new DMGT shares which become DMGT A Ordinary Voting Shares pursuant to the Scheme, an application for the admission of securities to the Official List and for admission to trading on the London Stock Exchange's main market has also been made. The total number of DMGT A Ordinary Voting Shares will not increase as a result of the Scheme. The cancellation of the listing and trading of DMGT Ordinary shares and the listing and admission to trading of the 268,538 new DMGT A Ordinary Voting Shares occurred on 30 October 2013.

On 28 October 2013 DMG Information, the business information division of DMGT, agreed to acquire the entire share capital of DIIG EUROPE for consideration of £75.0 million, from Decision Insight Information Group ('DIIG'), a portfolio company of the US private equity firm TPG Capital. DIIG EUROPE is the UK and Ireland's leading property searches group, primarily delivering residential and commercial property search results to legal professionals, and is based in Kent, with additional offices in Edinburgh and Dublin DIIG EUROPE'S ('DIIG(E)') business comprises SearchFlow Limited (England & Wales, www.searchflow.co.uk), Millar & Bryce Limited (Scotland, www.millar-bryce.co.uk), Rochford Brady Legal Services Limited (Ireland, www.rochfordbrady.ie), Decision Insight Hub Limited (also known as NLIS Hub) and Decision First Limited.

The acquired businesses had revenues of £69.0 million and operating profit of £6.0 million, for the year ending 31 December 2012. The provisional fair value of net assets acquired with DIIG were as follows:

	Book value £m	Provisional fair value adjustments £m	Provisional fair value £m
Goodwill	61.1	(23.0)	38.1
Intangible assets	1.4	45.3	46.7
Property, plant and equipment	2.6	–	2.6
Trade and other receivables	7.3	–	7.3
Cash and cash equivalents	3.8	–	3.8
Trade and other payables	(14.9)	–	(14.9)
Deferred tax	1.4	(9.1)	(7.7)
Group share of net assets acquired	**62.7**	**13.2**	**75.9**

Cost of acquisition:

	Cash paid £m
Total consideration at fair value	75.9

The principal provisional fair value adjustments relate to intangible assets recognised relating to the exhibition brands, related deferred tax liability and £38.1 million attributable to goodwill which represent future synergies.

The fair values set out above are provisional as the Group is currently finalising the purchase price allocation.

45. Subsidiaries exempt from audit

The following UK subsidiaries will take advantage of the newly available audit exemption set out within s479A of the Companies Act 2006 for the year ending 30 September 2013:

	Company registration number		Company registration number
CTF Asset Finance Limited	03178533	Broadbean Holdings Limited	03415808
DMG Asset Finance Limited	05528329	Interbase UK 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 Minor Investments Limited	04228751	Leicester Mercury Media Group Limited	00226937
DMGRH Finance Limited	03191181	The Western Gazette Company Limited	00022796
Kensington Finance Limited	03960683	South West Media Group Limited	00210591
Derry Street Investments Limited	04485760	Herald Express News and Media Limited	02642788
Ralph US Holdings	06341444	Gloucestershire Media Limited	00163659
Young Street Holdings Limited	04485808	Bath News and Media	03215208
Teletext Holidays Limited – now Ex TH Limited	02336018	Admag Newspapers Limited	01599454
Associated London Distribution Limited	03961514	DMG Information Limited	03708142
The Appointment Limited	03257727	DMG Events Limited	01150306
A&N International Media Limited	04147978	DMG Events International Limited	04118004
Derby Telegraph Media Group Limited	00218661	DMG Angex Limited	02302189
Harmsworth Printing (Stoke) Limited	04148861	Euromoney Canada Limited	01974125
Alderton Limited	02774204	Euromoney Charles Limited	04082590
Express and Echo News and Media Limited	00070992	Euromoney Institutional Investor (Ventures) Limited	05885797
Central Independent News and Media Limited	03015855	Euromoney Partnership LLP	0C363064
South West Wales Media Limited	00120013	Fantfoot Limited	05503274
Lincolnshire Media Limited	00037928	Internet Securities Limited	02976791
Grimsby and Scunthorpe Media Group Limited	02642787		

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Principal Subsidiaries

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 USA)	
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)	
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 (68.1%)	Publishing, training and events
BCA Research, Inc (68.1%)	Information Services
(Incorporated and operating in Canada)	
EIMN LLC (68.1%)	Conferences
(Incorporated and operating in the US)	
Institutional Investor, Inc (68.1%)	Publishing
(Incorporated and operating in the US)	
Internet Securities, LLC(68.1%)	Information Services
(Incorporated and operating in the US)	
Metal Bulletin Limited (68.1%)	Publishing and event management
dmg media	
Associated Newspapers Limited	Publication of the Daily Mail, The Mail on Sunday and Metro
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.

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Five Year Financial Summary

Consolidated income statement

	2009 Restated (Note 2) £m	2010 Restated (Note 2) £m	2011 Restated (Note 2) £m	2012 Restated (Note 2) £m	2013 £m
Revenue	1,772.9	1,703.4	1,748.5	1,746.8	1,752.6
Operating profit before exceptional operating costs, amortisation and impairment of goodwill and acquired intangible assets	234.0	271.8	264.4	273.7	292.5
Exceptional operating costs, impairment of internally generated and acquired computer software, investment property and property, plant and equipment and amortisation and impairment of goodwill and acquired intangible assets arising on business combinations	(316.0)	(57.2)	(94.3)	(130.1)	(82.8)
Operating profit/(loss) before share of results from joint ventures and associates	(82.0)	214.6	170.1	143.6	209.7
Share of results of joint ventures and associates	(9.7)	(5.2)	(2.7)	(1.8)	5.3
Total operating profit/(loss)	(91.7)	209.4	167.4	141.8	215.0
Other gains and losses	(26.7)	0.4	13.1	114.4	27.6
Profit/(loss) before net finance costs and tax	(118.4)	209.8	180.5	256.2	242.6
Net finance costs	(106.8)	(76.0)	(54.6)	(53.3)	(40.1)
Profit/(loss) before tax	(225.2)	133.8	125.9	202.9	202.5
Tax	64.5	41.1	3.7	18.8	(37.8)
Profit/(loss) for the year after tax	(160.7)	174.9	129.6	221.7	164.7
Discontinued operations	(146.6)	42.6	(5.2)	54.8	47.9
Equity interests of minority shareholders	2.0	(19.2)	(15.9)	(22.7)	(23.4)
Profit/(loss) for the year	(305.3)	198.3	108.5	253.8	189.2
Adjusted profit before tax and non-controlling interests	185.6	227.7	232.1	255.4	281.5
Basic earnings/(loss) per share	(80.6)p	51.8 p	28.3 p	66.3 p	50.1 p
Adjusted earnings per share (before amortisation and impairment of intangible assets and exceptional items)	33.9 p	46.0 p	46.1 p	49.4 p	51.7 p
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	335.5	371.3	355.1	378.3	374.4
Adjusted profit after taxation and non-controlling interests	128.3	176.3	176.6	189.1	200.1

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Five Year Financial Summary

Continued

Consolidated cash flow statement

	2009 £m	2010 £m	2011 £m	2012 £m	2013 £m
Net cash inflow from operating activities	283.8	334.4	318.6	254.0	347.2
Investing activities	(140.0)	2.1	(33.5)	(12.1)	(87.7)
Financing activities	(147.3)	(319.8)	(177.7)	(304.7)	(277.5)
Net (decrease)/increase in cash and cash equivalents	(3.5)	16.7	107.4	(62.8)	(18.0)
Cash and cash equivalents at beginning of year	44.3	46.9	64.3	171.7	107.3
Exchange (loss)/gain on cash and cash equivalents	6.1	0.7	–	(1.6)	(0.8)
Cash and cash equivalents at end of year	46.9	64.3	171.7	107.3	88.5
Net (decrease)/increase in cash and cash equivalents	(3.5)	16.7	107.4	(62.8)	(18.0)
Cash outflow from change in debt and hire purchase finance	23.5	174.2	1.9	126.2	17.8
Change in net debt from cash flows	20.0	190.9	109.3	63.4	(0.2)
Loan notes issued and loans arising from acquisitions	–	(1.0)	–	–	–
Other non-cash items	(54.0)	(3.3)	33.1	43.2	40.2
Decrease/(increase) in net debt in the year	(34.0)	186.6	142.4	106.6	40.0
Net debt at beginning of year	(1,014.6)	(1,048.6)	(862.0)	(719.6)	(613.0)
Net debt at end of year	(1,048.6)	(862.0)	(719.6)	(613.0)	(573.0)

Consolidated statement of financial position

	2009 Restated (Note 2) £m	2010 Restated (Note 2) £m	2011 Restated (Note 2) £m	2012 Restated (Note 2) £m	2013 £m
Goodwill and intangible assets	1,195.1	1,113.7	1,034.3	968.5	1,056.8
Tangible assets	440.4	377.8	327.0	244.9	214.0
Fixed asset investments	46.2	56.3	33.5	150.3	188.3
Other non current assets	159.8	174.1	239.9	243.9	203.3
Fixed assets	1,841.5	1,721.9	1,634.7	1,607.6	1,662.4
Net current liabilities	(352.1)	(315.7)	(238.4)	(268.0)	(338.9)
Long-term liabilities	(1,599.8)	(1,269.0)	(1,289.0)	(1,087.9)	(986.8)
Net assets	(110.4)	137.2	107.3	251.7	336.7
Shareholders' equity					
Called-up share capital	49.1	49.1	49.1	49.1	49.2
Share premium account	12.4	12.5	12.7	13.5	16.3
Revaluation reserve	4.1	7.0	3.3	–	0.0
Other reserves	(35.9)	(60.2)	(87.7)	(75.3)	(152.5)
Minority interests	46.8	57.4	80.3	95.3	113.6
Retained earnings	(186.9)	71.4	50.5	169.1	310.1
Total equity	(110.4)	137.2	108.2	251.7	336.7

Shareholder information

	2009	2010	2011	2012	2013
Dividend per share*	14.70 p	16.00 p	17.00 p	18.00 p	19.2p
Price of A Ordinary Non-Voting shares:					
Lowest	£2.11	£3.90	£3.47	£3.48	£4.51
Highest	£4.61	£5.33	£5.95	£4.97	£8.35

* Represents the dividends declared by the Directors in respect of the above years.

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Company balance sheet

At 30 September 2013

	Note	At 30 September 2013 £m	At 30 September 2012 £m
FIXED ASSETS			
Tangible fixed assets	4	–	0.5
Investments in Group undertakings	5	2,825.8	2,024.6
		2,825.8	2,025.1
CURRENT ASSETS			
Debtors – amounts falling due within one year	6	46.6	90.1
Cash and cash equivalents	7	46.9	25.3
Deferred tax assets	11	5.1	3.1
CREDITORS			
Amounts falling due within one year	8	(362.4)	(597.1)
Net current liabilities		(263.8)	(478.6)
Total assets less current liabilities		2,562.0	1,546.5
CREDITORS			
Amounts falling due after more than one year	9	(698.2)	(750.8)
Provisions for liabilities	10	(0.5)	(0.5)
NET ASSETS		1,863.3	795.2
CAPITAL AND RESERVES			
Called up share capital		49.2	49.1
Share premium account	12	16.2	13.4
Shares held in treasury	12	(116.5)	(43.8)
Capital redemption reserve	13	1.1	1.1
Profit and loss account	14	1,913.3	775.4
EQUITY SHAREHOLDERS' FUNDS		1,863.3	795.2

The accounts on pages 171 to 178 were approved by the Directors and authorised for issue on 4 December 2013. They were signed on their behalf by:

Rothermere
M.W.H. Morgan
Directors

Financial Statements

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 £1,202.7 million (2012 £236.3 million, 2011 loss £108.8 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

Tangible fixed assets
Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life. Some of the Company's tangible fixed assets are artworks with a residual value at least equal to cost and therefore no depreciation has been applied in either the current or prior period on the basis that any change would not be material.

Foreign exchange
Transactions in currencies other than the entity'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 income statement for the year.

Investments
Investments in subsidiaries 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
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 not 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 Group 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 134 to 137 of the Group's Annual Report and Accounts. 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 and Accounts.

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 and Accounts.

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 and Accounts.

Financial Statements

Notes to the Company Balance Sheet – UK GAAP

Continued

3. Employees

	2013 Number	2012 Number
Average number of persons employed by the Company including Directors:	25	18

	2013 £m	2012 £m
Total staff costs comprised:		
Wages and salaries	6.0	8.0
Share-based payments	2.8	2.1
Social security costs	0.4	1.5
Pension costs	0.1	0.2
	9.3	11.8

The remuneration of the Directors of Company during the year are disclosed in the Remuneration Report on page 53 of the Group's Annual Report and Accounts.

4. Tangible fixed assets

	Fixtures, fittings and artwork £m
Cost	
At 30 September 2012	0.7
Disposals	(0.7)
At 30 September 2013	–
Accumulated depreciation	
At 30 September 2012	0.2
Eliminated on disposal	(0.2)
At 30 September 2013	–
Net book value – 2012	0.5
Net book value – 2013	–

5. Investments in Group undertakings (as listed on page 168)

	Cost £m	Provision £m	Net book value £m
At 30 September 2012	2,120.2	(95.6)	2,024.6
Additions	963.6	(0.4)	963.2
Disposals	(258.0)	94.8	(163.2)
Write back of provision	–	1.2	1.2
At 30 September 2013	2,825.8	–	2,825.8

6. Debtors

	2013 £m	2012 £m
Amounts falling due within one year		
Amounts owed by Group undertakings	13.1	44.6
Prepayments and accrued income	0.1	1.2
Other debtors	0.1	–
Corporation tax	12.8	20.4
Derivative financial assets	–	23.9
	26.1	90.1

The Company's corporation tax debtor represents amounts due from subsidiaries for Group relief.

	2013 £m	2012 £m
Amounts falling due after more than one year	20.5	–
Derivative financial assets	20.5	–

7. Cash and cash equivalents

	2013 £m	2012 £m
Cash and cash equivalents	46.9	25.3

8. Creditors – amounts falling due within one year

	2013 £m	2012 £m
Bank overdrafts	1.4	6.4
Loan notes	0.8	1.2
Interest payable	26.7	28.5
Amounts owed to Group undertakings	325.0	534.6
Accruals and deferred income	8.5	4.8
Derivative financial liabilities	–	21.6
	362.4	597.1

Loan notes attract interest at approximately LIBOR minus 0.5% and were issued as part of the consideration for various acquisitions. The loan notes are repayable at the option of the loan note holder.

Amounts owed to Group undertakings are repayable on demand and bear interest of UK bank base rate plus 0.5%.

Financial Statements

Notes to the Company Balance Sheet – UK GAAP

Continued

9. Creditors – amounts falling due after more than one year

	2013 £m	2012 £m
7.50% Bonds 2013	–	47.3
5.75% Bonds 2018	309.2	307.4
10.00% Bonds 2021	169.2	171.4
6.375% Bonds 2027	195.9	199.2
Derivative financial liabilities	23.9	25.5
	698.2	750.8

The nominal values of the bonds are as follows:

	2013 £m	2012 £m
7.50% Bonds 2013	–	46.4
5.75% Bonds 2018	324.7	324.7
10.00% Bonds 2021	156.4	156.4
6.375% Bonds 2027	200.0	200.0
	681.1	727.5

The Company's bonds have been adjusted from their nominal values to offset the premia paid on settlement or redemption, direct issue costs and discounts. 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 £3.1 million (2012 £3.5 million, 2011 £3.8 million) and the unamortised premia amounts to £7.7 million (2012 £9.2 million, 2011 £10.5 million).

Details of the fair value of the Company's bonds are set out in Note 32 of the Group's Annual Report and Accounts.

The bonds are subject to fair value hedging using derivatives as set out in Note 33 of the Group's Annual Report and Accounts. Consequently, their carrying value is also adjusted to take into account the affects 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:

	2013 High	2013 Low	2012 High	2012 Low
Sterling	2.35%	1.77%	2.66%	1.54%
US dollar	1.93%	1.42%	2.10%	1.23%

The maturity profile of the Company's borrowings is as follows:

	Overdrafts £m	Bonds £m	Loan notes £m	Total £m
2013				
Within one year	1.4	–	0.8	2.2
Over five years	–	674.3	–	674.3
	1.4	674.3	0.8	676.5
2012				
Within one year	6.4	47.3	1.2	54.9
Over five years	–	678.1	–	678.1
	–	678.1	–	678.1
	6.4	725.4	1.2	733.0

10. Provisions for liabilities

	2013 £m	2012 £m
Other provisions	0.5	0.5
	0.5	0.5

11. Deferred taxation

	2013 £m	2012 £m
Other timing differences	5.1	3.1

Movements on the deferred taxation asset were as follows:

	2013 £m	2012 £m
At start of year	3.1	2.8
Share-based payments	1.5	0.5
Tax credit/(charge) for the year	0.5	(0.2)
At end of year	5.1	3.1

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

	2013 £m	2012 £m
At start of year	13.4	12.7
Issue of shares	2.8	0.7
At end of year	16.2	13.4

Shares held in treasury

	2013 £m	2012 £m
At start of year	(43.8)	(46.3)
Additions	(94.6)	(30.1)
Own shares released on vesting of share options	21.9	32.6
At end of year	(116.5)	(43.8)

The Group's investment in its own shares is classified within shareholders' funds as shares held in treasury. At 30 September 2013, this investment comprised the cost of 20,412,954 A Ordinary Non-Voting shares (2012 10,188,174, 2011 9,728,174 shares). The market value of these shares at 30 September 2013 was £155.5 million (2012 £49.1 million, 2011 £35.3 million). The treasury shares are considered to be a realised loss for the purposes of calculating distributable reserves.

Details of the Company's share capital can be found within Note 37 of the Group's Annual Report and Accounts.

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Notes to the Company Balance Sheet – UK GAAP

Continued

13. Capital redemption reserve

	£m
At start and end of year	1.1

14. Profit and loss account

	Note	£m
At 30 September 2012		775.4
Net profit for the year		1,202.5
Dividends paid		(69.6)
Expenses incurred in relation to scheme of arrangement	17	(1.5)
Other movements on share option schemes		6.5
At 30 September 2013		1,913.3
Total reserves – 2012		746.1
Total reserves – 2013		1,814.1

The Company estimates that £1,305.5 million of the Company's profit and loss account reserve is not distributable (2012 £583.6 million, 2011 £607.3 million).

15. Contingent liabilities

At 30 September 2013 the Company had guaranteed a subsidiary's outstanding derivatives which have a mark to market asset valuation of £18.7 million (2012 £7.2 million, 2011 liability £3.9 million) and letters of credit with a principal value of £1.2 million (2012 £2.4 million, 2011 £9.3 million). The Company has also issued stand by letters of credit in favour of the Trustees of the Group's defined benefit pension fund amounting to £nil (2012 £nil, 2011 £53.6 million). The Company is the guarantor of a loan note amounting £150.0 million (2012 £150.0 million, 2011 £150.0 million) in respect of the contingent asset partnership referred to in Note 34 in the Group's Annual Report and Accounts.

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 and Accounts.

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Shareholder information

Company Secretary and Registered Office

Claire Chapman
Northcliffe House
2 Derry Street
London
W8 5TT
England Registered Number: 184594

Website

The Group has an internet website which gives information on the Company and its operating subsidiaries and provides details of significant Group announcements.

www.dmgt.com

Financial Calendar 2014

8 January	Annual Report and Corporate Brochure published
5 February	Interim Management Statement
5 February	Annual General Meeting
7 February	Payment of final dividend
30 March	Payment of interest on loan notes
30 March	Half year end
22 May	Half Yearly Financial Report released
4 June	Interim ex-dividend date
6 June	Interim record date
4 July	Payment of interim dividend
24 July	Interim Management Statement
30 September	Year End
30 September	Payment of interest on loan notes
26 November	Preliminary announcement of annual results
3 December	Ex-dividend date
5 December	Record date

Capital Gains Tax

The market value of both the Ordinary and A Ordinary Non-Voting Shares in the Company on 31 March 1982 (adjusted for the 1994 bonus issue of A Ordinary Non-Voting 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 page 180.

Electronic Communications

Equiniti operate 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 provide a simple low cost dealing service A Ordinary Non-Voting 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.

Loan Notes

Loan notes issued by the Company are repayable in whole or in part at the option of loan note holders every six months. Loan note holders requiring repayment should complete the redemption section on the back of their loan note and send it to reach the Registrars by 28 February or 31 August for repayments on 31 March or 30 September respectively.

Share Price Information

The current price of the Company's A Ordinary Non-Voting Shares can be found on the homepage of the Company's website at www.dmgt.com.

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Shareholder information

Continued

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 020 3615 2917, and whose e-mail 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 2013

Ordinary Shares

Balance Ranges	Total Number of Holdings	Percentage of Holders	Total Number of Shares	Percentage Issued capital
1–1,000	450	74.25%	161,525	0.81%
1,001–5,000	114	18.81%	253,997	1.28%
5,001–10,000	12	1.98%	84,914	0.43%
10,001–20,000	13	2.14%	183,098	0.92%
20,001–50,000	5	0.83%	147,353	0.74%
50,001–100,000	5	0.83%	405,312	2.04%
100,001–500,000	5	0.83%	912,110	4.58%
500,001 and over	2	0.33%	17,738,163	89.20%
Totals	**606**	**100.00%**	**19,886,472**	**100.00%**

A Ordinary Non-Voting Shares

Balance Ranges	Total Number of Holdings	Percentage of Holders	Total Number of Shares	Percentage Issued capital
1–1,000	890	42.24%	324,824	0.09%
1,001–5,000	507	24.06%	1,306,703	0.35%
5,001–10,000	231	10.96%	1,679,840	0.45%
10,001–20,000	144	6.83%	2,000,502	0.53%
20,001–50,000	104	4.94%	3,149,065	0.84%
50,001–100,000	52	2.47%	3,500,210	0.94%
100,001–500,000	101	4.79%	24,565,881	6.57%
500,001 and over	78	3.70%	337,160,305	90.23%
Totals	**2,107**	**100.00%**	**373,687,330**	**100.00%**

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Corporate brochure and video
Take a look at our corporate brochure and video for a snapshot of our core strategic messages and key success stories from around our business.
www.dmgt.com/corporate_brochure

Find out more at dmgt.com
Visit dmgt.com to see what is happening across our business and the marketplaces in which we operate.

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