DMGT

Satisfying the need to know

Daily Mail and General Trust plc
Annual Report 2015

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FINANCIAL HIGHLIGHTS

Revenue#
£1,845m
2014: £1,864m

Operating margin*#
16%
2014: 17%

Adjusted profit before tax*#
£281m
2014: £291m

Statutory profit before tax†
£216m
2014: £267m

Adjusted earnings per share*#
59.7p
2014: 55.7p

Dividend per share
21.4p
2014: 20.4p

Net debt/EBITDA
1.8x
2014: 1.5x

Organic investments as % of revenues
7%
2014: 7%

International share of revenues#◊
49%
2014: 47%

Digital share of revenues#
47%
2014: 46%

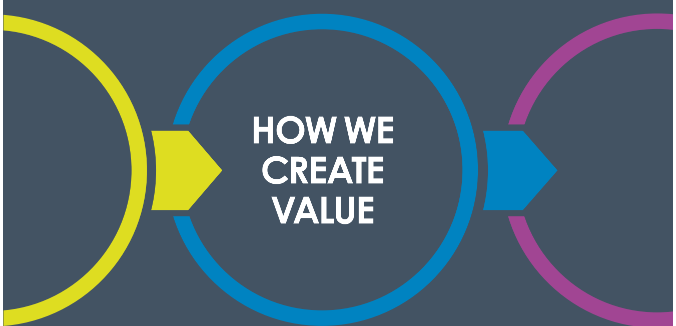
Subscriptions share of revenues#
31%
2014: 28%

DMGT is an international business built on entrepreneurship and innovation.

DMGT manages a balanced multinational portfolio of entrepreneurial companies, with total revenues of almost £2 billion, that provide a diverse range of businesses and consumers with compelling information, analysis, insight, news and entertainment.

* Before exceptional items, other gains and losses, impairment of goodwill and intangible assets, pension finance charges, premiums on bond redemptions and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 91 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 disposal of the Evenbase business).
◊ Non-UK revenues by destination.

"CONTINUING INVESTMENT TO DRIVE INNOVATION ALONGSIDE ACTIVE PORTFOLIO MANAGEMENT ENSURES DMGT IS WELL PLACED TO CREATE LONG-TERM SHAREHOLDER VALUE."



Investing for the future

"DMGT REMAINS ON TRACK TO DELIVER LONG-TERM GROWTH."

The Viscount Rothermere
Chairman

This Annual Report demonstrates that DMGT remains on track to deliver long-term growth following a financial year in which we overcame challenging market conditions and returned capital to shareholders whilst continuing to invest in our high-quality media, specialist information, events and business to business (B2B) operations.

Given the Group's financial strength, we are well placed to take advantage of the changes sweeping through the media and business information markets. Technology is creating opportunities to serve our existing customers even better and expand our products to reach new audiences. Martin Morgan and his management team have had the courage to invest in new innovations and acquire businesses with cutting-edge capabilities and technology. These activities are important investments in DMGT's future.

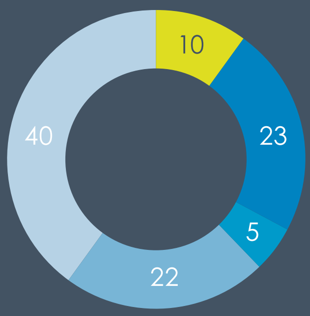
Our diverse portfolio enabled the Group to navigate 2015 with confidence. Underlying revenue and margins remained broadly stable as growth in some businesses offset increased investment and turbulence in others. We continued to manage our portfolio efficiently, divesting where appropriate and building advantageous positions through mergers and acquisitions as opportunities arose. Financial discipline enabled us to complete share and bond buy-back programmes while holding net debt to below 2.0 times EBITDA.

In light of these results, the Board remains confident in the ability of DMGT to grow and deliver long-term value to shareholders. We are pleased therefore to recommend a 5% increase in the final dividend per share for 2015, giving a total dividend for the year of 21.4 pence per share, an increase of 5%.

Among our B2B assets, RMS maintained its leading position in catastrophe risk modelling. RMS(one) has been an important focus for the DMGT executive team and the Board. The upgraded infrastructure and technical architecture of RMS(one) will enable the platform to build scale in line with the needs of our most demanding customers running our latest High-Definition models. Meanwhile, DMGT continues to invest in order to develop RMS's highly successful core business.

We also saw underlying growth at dmg information, further enhanced by bolt-on acquisitions and promising stand-alone businesses. One such business is SiteCompli. The young entrepreneurs who founded SiteCompli decided to join our Group, recognising the support that we can provide to build their business. I am delighted that DMGT is such an attractive home for entrepreneurs and am committed to keeping it that way.

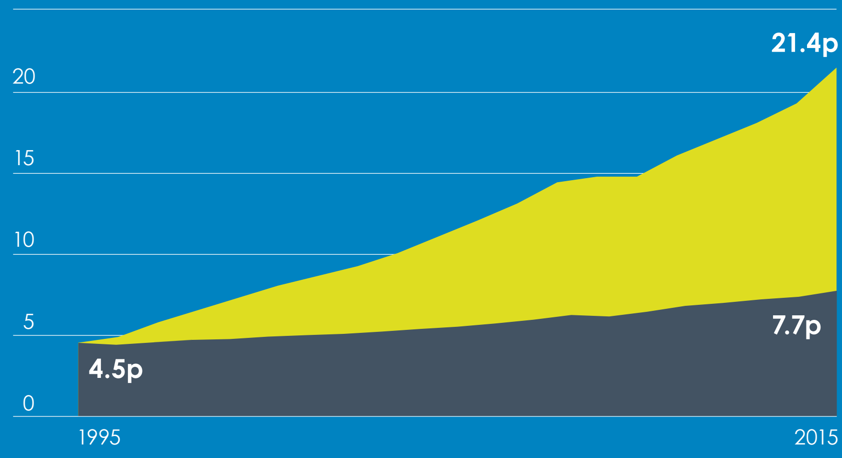
Revenue by business (%)



Organic investment as a percentage of revenues

7%

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



dmg events has continued to increase the frequency and geographic presence of its flagship events and to use technology to enhance visitor numbers. For example, this year saw the Global Petroleum Show become an annual event and a Big 5 event was launched in Indonesia. This strategy, combined with targeted mergers and acquisitions, has grown the business and strengthened our market position.

Euromoney Institutional Investor (Euromoney) has continued to invest in its digital capabilities over the past year. Its Delphi content management system is already helping to accelerate new product launches. Short-term performance reflects challenging market conditions, but profitability remains high and subscription revenues continue to grow. Earlier this year, we announced the appointment of Andrew Rashbass as Executive Chairman and subsequently as Chief Executive Officer. Andrew succeeds Richard Ensor who retired at the end of September 2015 after almost 40 years' service. Throughout his tenure Richard has been a driving force behind developing Euromoney into the global business it is today, and I would like to express my sincere thanks to Richard for his very considerable contribution to the business.

In consumer media, the Mail titles continue to command loyalty among existing readers and to reach new audiences, reflecting the outstanding quality of our popular journalism. The strength of our readership in a declining market helped Mail Newspapers to increase share, with the flagship MyMail rewards programme making a marked impact. The strength of the print operations allowed us to continue to invest in our excellent editorial teams. We have maintained our graduate training programme, which attracts some of the best talent into journalism. MailOnline is unmatched as a news provider in the UK, and has growing editorial coverage across the US and Australia. Journalists in these two markets have underpinned MailOnline's international traffic growth. DailyMail.com, as it is known in the US, has developed its brand significantly. Its appeal to advertisers was enhanced by the acquisition of Elite Daily, a lifestyle publisher with a large millennial audience.

Together with executives from Euromoney and dmg information, I had the honour of attending the China Entrepreneurs' Forum in Heilongjiang Province, Northern China, and addressed the forum on the topic of digital media. DMGT was one of very few global businesses invited to this high-level gathering of senior Chinese business leaders and officials, reflecting our efforts to build strong foundations and relationships in the region. While in China I was delighted to visit People's Daily and discuss their collaboration to share news stories with MailOnline, and Funcent, a property information business in which DMGT has made a minority investment.

DMGT's international growth was bolstered by further minority investments in India and the acquisition of three new events in the Middle East as well as launching events in Honduras and Zambia.

DMGT's Group strategy is overseen by the Board of Executive and Non-Executive Directors, which maintains the high standards of governance that our shareholders expect. Many of our principal businesses benefit directly from the skills and experience of our Board Directors operating in an advisory capacity. I would like to thank our Non-Executive Directors for their contribution during the year.

The Governance Report (pages 46 to 65) sets out the framework for operating performance and shareholder value that is central to the way DMGT is run.

The Board ensures that the remuneration and incentives of senior management are aligned with performance and value for shareholders. The value creation metrics and related payments are set out in the Remuneration Report on pages 66 to 79.

More than 10,000 colleagues in over 40 countries contribute to the success of DMGT with their talent, passion and experience. I would like to thank them for everything they bring to their businesses and contribution to the Group. It is their innovation and entrepreneurial drive that allow us to build and maintain leading positions in our fast changing markets. I was pleased that some of my most senior colleagues joined me earlier this year at the University of California in Berkeley to discuss innovation as a Group-wide priority. For more detailed information please go to the Our People section on page 40.

DMGT will continue to use its financial strength to look beyond short-term volatility and invest in the best ideas for the long term. I see many such opportunities for investment across the Group, and as such, the Board and I look to the future with great confidence.

The Viscount Rothermere
Chairman

A world-class global portfolio

B2B

RMS

Produces risk models, software applications, and analytical data services used by the global risk and insurance industry to quantify and manage catastrophic risks.

More information page 16.

Financial performance

Revenues	Operating margin*
£187m	14%
2014: £172m	2014: 26%
Employees	**Operating profit***
1,094	£27m
2014: 1,164	2014: £45m

Key developments

- Release of RiskLink15 software and upgraded European Windstorm and North Atlantic Hurricane models.
- Completion of new RMS(one) design and architecture, leading to staged releases of the system throughout 2016.
- Development of the first High-Definition (HD) European Flood model in the market.

dmg::information

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

Landmark, EDR, Xceligent, SearchFlow, Trepp, siteCOMPLI, HOBSONS, GENSCAPE

More information page 18.

Revenues	Operating margin*
£430m	17%
2014: £391m	2014: 17%
Employees	**Operating profit***
3,421	£75m
2014: 2,829	2014: £68m

- Continued investment in organic product development.
- M&A activity across all sectors to support long-term growth.
- Growth from property businesses despite challenging markets.
- Genscape double-digit underlying growth driven by new products and sector expansion.
- Hobsons' margin improvement reflects benefit of recent technology investment.

dmg::events

B2B exhibitions and conferences focusing on the energy, construction, interiors, and hotel and hospitality sectors.

ADIPEC, Global Petroleum Show, Gastech, The Big 5, INDEX, hotel show

More information page 21.

Revenues	Operating margin*
£95m	21%
2014: £100m	2014: 27%
Employees	**Operating profit***
356	£20m
2014: 376	2014: £27m

- Non-occurrence of Gastech in FY 2015.
- Increased frequency of key events by establishing the Global Petroleum Show as an annual event.
- Creation of spin-off events with Middle East Stone from Big 5 and Middle East Coverings from INDEX.
- Continued geo-cloning with the first edition of Big 5 Construct Indonesia in Jakarta, May 2015.
- Disposal of digital marketing events in September 2015.

Euromoney Institutional Investor PLC

An international B2B media group focused on the international finance, metals and commodities sectors. It provides data and research, produces business publications and runs conferences, seminars and training courses.

Euromoney, Metal Bulletin, GlobalCapital, Institutional Investor, BCA Research, Ned Davis Research Group, Mining Indaba

More information page 23.

Revenues	Operating margin*
£403m	26%
2014: £407m	2014: 29%
Employees	**Operating profit***
2,297	£107m
2014: 2,348	2014: £117m

- Continued investment in organic product launches such as BCA Research and Investor Intelligence Network (IIN).
- Development of Delphi digital platform completed with good results.
- Acquisition of 15.5% in Dealogic Holdings.
- New Executive Chairman Andrew Rashbass appointed to succeed Richard Ensor in October 2015.

Consumer

dmg::media

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

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

More information page 26.

Revenues	Operating margin*
£731m	13%
2014: £796m	2014: 12%
Employees	**Operating profit***
2,927	£96m
2014: 2,833	2014: £95m

- Continued circulation market share gains for Daily Mail and The Mail on Sunday.
- Delivery of ongoing cost efficiencies in newspapers.
- Further investment in MailOnline and strong global audience growth.
- Acquisition of Elite Daily in January 2015.
- Partial disposal of Wowcher, retaining c.30%.

Joint ventures and associates

In recent years it has made strategic sense for DMGT to have a smaller stake in young companies. The largest is Zoopla Property Group Plc.

Zoopla.co.uk, Local World

More information page 31.

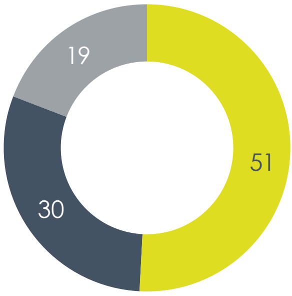
DMGT's share of operating profits*

Zoopla Property Group Plc	Local World
£14m	£17m
2014: £17m	2014: £15m

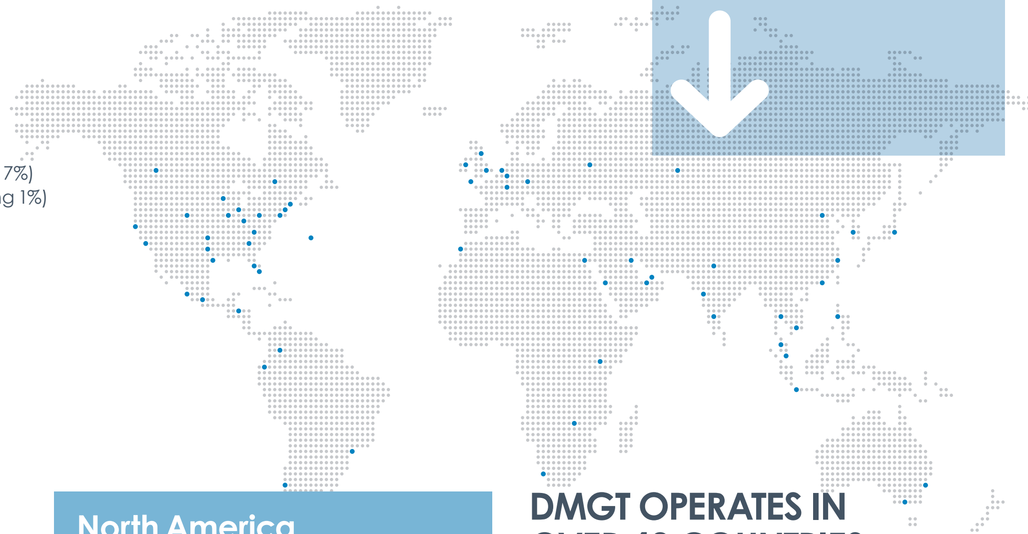
- Zoopla Property Group Plc acquisition of uSwitch.
- Local World stake sold in November 2015.

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

Revenue by destination (%)



- UK (down underlying 3%)
- North America (up underlying 7%)
- Rest of the World (up underlying 1%)



Rest of the World
Revenue (down 5%)

£351m

2014: £368m

North America
Revenue (up 12%)

£563m

2014: £504m

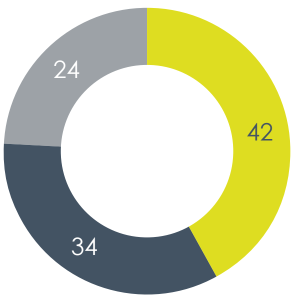
DMGT OPERATES IN OVER 40 COUNTRIES. WE ARE AN INTERNATIONAL GROUP, WELL POSITIONED FOR FURTHER GROWTH.

UK
Revenue (down 6%)

£932m

2014: £992m

Employees by geography (%)



- UK
- North America
- Rest of the World

OUR BUSINESS MODEL
HOW WE CREATE VALUE

WE SUPPLY HIGH-VALUE INFORMATION

WHICH WE MONETISE THROUGH FIVE REVENUE MODELS

DMGT produces high-value information to the insurance, property, energy, education and finance sectors. We operate highly successful events and deliver news and entertainment to a growing, global consumer audience.

DMGT is diversified in many ways: by revenue, geography and business type, which enhances our resilience as a Group.

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

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

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

Events attendance and sponsorship
Exhibitor fees, delegate fees and sponsorship revenues are earned from the growing portfolio of B2B shows run by dmg events and from Euromoney's conferences, seminars and training activities.

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

SUPPORTED BY A COMPETITIVE ADVANTAGE ARISING FROM OUR FIVE CORE STRENGTHS

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

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

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

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

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

ENABLING US TO CREATE VALUE FOR ALL OUR STAKEHOLDERS

For shareholders
We have a good track record of generating a positive return on investment with strong cash flow and our active portfolio management drives sustainable earnings and dividend growth.

Total shareholder return FY 2010 – FY 2015

11% CAGR

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

Employees worldwide

10,174

For customers
Our deep understanding of customer needs enables us to constantly innovate and create content, products and solutions that provide our businesses with a competitive edge and make us even more relevant to our customers.

Organic investment as a percentage of revenues FY 2015

7%

For our communities
DMGT businesses have developed strategic partnerships with a large number of charitable organisations.

Amount donated to charity FY 2015

£1.2m

Adapting to continuous change

DMGT comprises a portfolio of businesses working across diverse marketplaces. Each has its own individual characteristics, some share common features and are exposed to similar trends.

The commonalities and characteristics found across all our market places can be summarised as:

- fast paced and frequently changing;
- technology driven, with constant innovation;
- customer-centric;
- content and information driven; and
- international.

Our businesses are constantly looking towards the future and identifying and managing current and future trends. The most significant of these are identified here but more detail on those affecting our individual businesses can be found in the Principal Risks section on pages 36 to 39.

INCREASED VOLATILITY

- **As a provider of proprietary, hard-to-obtain, real-time information, DMGT benefits from growing uncertainty in the world as its customers require ever more sophisticated data before making decisions.**
- Global economic uncertainty, political tensions and supply/demand disruptions continue unabated in what is becoming a new normal level of market volatility.
- Complex forces that affected global activity in 2014 are still shaping the outlook. These include medium- and long-term trends such as population ageing and declining potential growth; global shocks, such as lower oil prices; and many country or region-specific factors, such as crisis legacies and exchange rate swings triggered by actual and expected changes in monetary policies. Metal prices have fallen because of slowing demand growth in China and significant increases in the supply of most metals.
- As a diversified portfolio, DMGT's multiple revenue streams can provide a balancing effect in times of volatility. So where one sector might be underperforming another will be overperforming, thus allowing the Group overall to sustain its performance.
- In a world of constant change, DMGT is continuously investing in new ways of providing not only more accurate and timely data and content to our customers but also in drawing the insights that will help them navigate these uncertain times.

For more information see Chief Executive's Review on page 10 and operating business reviews on pages 16 to 28.

CONTINUOUS INNOVATION

- **Technological change is accelerating at a pace never seen before and so is the speed at which consumers are adopting new technology.**
- As an entrepreneurial Group focused on digital growth, DMGT keeps one step ahead by continually fostering innovation and embracing new ideas. This is best reflected by our expectation of investing at least 5% of revenue in organic growth.
- The pace at which major industries are changing – Airbnb with travel; automotive and public transport with Uber and Lyft; and the reinvention of money and the rise of Bitcoin – is irrevocably and rapidly erasing and replacing monolithic business models. These changes have been enabled by technology and are impacting all aspects of our lives, from the financial sector, where cash and cards may soon become relics, to insurance, healthcare, agriculture, education, property and energy. DMGT's decentralised approach enables us to remain close to customers through our portfolio of businesses, gaining greater insight and understanding into exactly what they value, engage with and, ultimately, want to buy.
- As a company with a family heritage which encourages long-term thinking, DMGT can invest for the future. Throughout our history, innovation and diversification have been essential elements of how we do business and give us a wealth of experience to draw on to adapt to market changes.

For more information see Chief Executive's Review on page 10 and operating business reviews on pages 16 to 28.

HARNESSING DATA

- **The amount of data available to businesses is growing rapidly, making the ability to harness these 'big data' pools a requirement for success.**
- As a provider of valuable data and information to customers all over the world, DMGT is strongly positioned to benefit from these trends. Companies are increasingly seeing their data as a revenue source and using advanced analytics to produce actionable insights. We continue to create optimisation tools to integrate information into our customers' workflows.
- We also recognise the increasing importance customers place on real-time insights and are investing and innovating in this area.
- At the same time, as internet use grows so does the issue of cybersecurity. Despite excellent security practices employed by many cloud providers, these services are likely to be prime targets for attacks by cybercriminals.
- We are highly aware of the cybersecurity threat to our businesses, as well as to those of our customers, and the need to maintain constant vigilance.
- We have procedures in place across the Group to detect and contain cyberattacks, investing in the latest technology and experienced staff to oversee the security of our data websites.

For more information see Chief Executive's Review on page 10 and operating business reviews on pages 16 to 28.

GLOBAL SHIFTS

- **The trend for urbanisation continues with 75% of the world's population forecast to be living in cities by 2050, with Africa and Asia leading the way. In 1990 there were 10 megacities (those with more than 10 million inhabitants) in the world. By 2030 this is forecast to rise above 40.**
- Understanding cities and their shifting demographics is critical to reaching urban consumers, and the demand for information to do this will grow. Urbanisation will also increase demand for property and energy, already key market areas for DMGT companies.
- Emerging and growth markets will continue to strengthen their economic power. By 2050 the GDP of the E7 (China, India, Brazil, Russia, Indonesia, Mexico and Turkey) is set to be double that of the G7 (US, Japan, Germany, UK, France, Italy and Canada).
- DMGT invests in growth markets. In China and India we have continued to invest in new opportunities and strike up joint ventures in areas ranging from property to education. In our mature markets we remain agile. Rather than opting for a short-term strategy, we ensure that we adapt and innovate for the long term.

For more information see Chief Executive's Review on page 10 and operating business reviews on pages 16 to 28.

A COMPETITIVE TALENT POOL

- **The supply of talent is shifting at a time when demand is increasing. Mature economies are not able to find the talent they need, just as emerging markets are increasing their demand for highly educated workers.**
- As a successful global employer able to offer a wide range of opportunities, DMGT is well positioned to attract talent. We champion our entrepreneurial culture in order to attract and retain recruits, particularly those starting their careers.
- The labour pool is shrinking, especially in terms of those qualified to take advantage of big data and analytics. The concept of a job for life is being challenged. Skills learnt now will become out of date in a few years' time, so workers need continuous education. We understand the need to constantly re-educate our people.
- As an organisation, we support training and development led by our businesses for their people and also provide Group-wide programmes such as our Product Management Workshops, Hackathons and Leadership Development Programme.

More information page 40.

Building for the future

> **CONTINUING INVESTMENT TO DRIVE INNOVATION ALONGSIDE ACTIVE PORTFOLIO MANAGEMENT** ENSURES DMGT IS WELL PLACED TO CREATE LONG-TERM SHAREHOLDER VALUE."
>
> **Martin Morgan**
> Chief Executive

The strength and stability of the DMGT portfolio has enabled us to navigate challenging market conditions and take a long-term view by investing for future growth. Through our strong balance sheet, we have been able to invest in our market-leading businesses while increasing shareholder returns through both the dividend and buy-back programmes. Continuing investment to drive innovation and foster our entrepreneurial approach, coupled with active portfolio management, ensures that DMGT is well placed to create long-term shareholder value.

DMGT has pursued a consistent strategy of growing our B2B companies, developing our consumer businesses and diversifying internationally into high-growth markets. We measure the success of this strategy through our Key Performance Indicators. There is an update on how these have progressed during the year on pages 14 and 15 of the Strategic Report.

Financial performance

DMGT has delivered a resilient performance in FY 2015. Group revenues improved by an underlying 1% and operating profit declined by an underlying 4%, with an adjusted operating margin of 16%. Our reported results have been negatively impacted by the disposal of the Evenbase digital recruitment business during 2014 and the absence of Gastech

Represents a Key Performance Indicator within the Annual Report.

OUR STRATEGIC AMBITION

STRATEGIC REPORT

The Strategic Report sets out our Group strategy and objectives and an overview of our performance.

in the reporting period, notwithstanding the benefit of the stronger US dollar versus the British pound. We are, however, pleased to report that the adjusted profit before tax and earnings per share were in line with our expectations.

Our performance during the year reflects a good profit performance from the consumer media business, dmg media, offset by a reduced contribution from the B2B operations. The Group has delivered strong cash flows and executed successful disposals. At the same time, we have pursued an active organic and acquisition investment programme. The year end debt to EBITDA ratio of 1.8 was below the Group's preferred upper limit of around 2.0. DMGT's continued financial strength has enabled the Group to complete the September 2014 share buy-back programme and announce a new programme, increase the dividend and repay debt early while continuing to invest in long-term growth opportunities.

Strategic ambition

We provide compelling proprietary content for both specialist B2B and broad consumer audiences. Our customers trust us to deliver vital information when and where they need it. We recognise the opportunities in fast-changing markets where we are utilising digital innovation in an ever more interactive and real-time manner.

DMGT continues to evolve into a global growth company. This transformation is being delivered through:

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

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

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

Strategic priorities

In order to deliver on our strategic ambitions, we are focused on five strategic priorities.

Fostering innovation to deliver organic growth

DMGT develops compelling content that is relevant and trusted in an environment in which innovation thrives. Our approach to encouraging innovation is through organic investment and bolt-on acquisitions. The level of organic investment is one of our KPIs, and we have invested in excess of £130 million in FY 2015. To support the process of successful innovation, we now run Product Management workshops.

At a business level, there have been a number of major organic investments, including:

RMS

- ongoing investment in RMS(one), a real-time risk management platform, which was delayed from being launched in 2014. We are now confident that the RMS(one) platform's infrastructure and product architecture have improved in line with the high standards expected by our customers;
- the successful release of RiskLink15, two upgraded flagship risk models and the development of High-Definition risk models demonstrated RMS's commitment to the core modelling business;

CHIEF EXECUTIVE'S REVIEW
CONTINUED

OUR STRATEGIC PRIORITIES

Fostering innovation to deliver organic growth

Maintaining rigorous and active portfolio management

Driving international growth

Using technology to enable growth

Attracting and developing entrepreneurial talent

dmg information
- investment has been made in a range of organic growth opportunities at all of its businesses;
- the focus has been on broadening the product range to meet customer requirements;

dmg events
- there have been successful launches of sister events and cloning of existing events into new geographies;

Euromoney
- the new digital content platform, Delphi, has enabled faster growth at many of its businesses; and at

dmg media
- further investment has been made to increase reader loyalty at the Mail titles through MyMail, as well as a range of innovative initiatives at MailOnline.

Find more information in the Business Reviews on page 16.

Maintaining rigorous and active portfolio management

During the year a number of significant acquisitions and disposals were made. We have also continued to make early-stage investments as an effective way of enhancing our overall portfolio and generating superior long-term returns. Our aim is to create a balanced revenue stream by type, sector and geography to ensure the resilience of the Group's long-term growth trajectory and the effective use of shareholders' capital.

Various bolt-on acquisitions were made to expand our B2B activities. These included:

dmg information
- Hobsons acquired Starfish Retention Solutions;
- Genscape acquired Locus Energy, Digital H2O, a controlling stake in Petrotranz and Energy Fundamentals;
- SiteCompli acquired Empower to strengthen its position in the US property regulatory compliance market;
- dmg information also made a number of small investments in early-stage property businesses in the US, India and China;

dmg events
- acquisition of Gulf Glass and GulfSol, two small Middle Eastern events;

Euromoney
- acquisition of a 15.5% stake in Dealogic and 10% stakes in Estimize and Zanbato; and

dmg media
- acquisition of Elite Daily, the US-based news and entertainment online business.

Find more information in the Business Reviews on page 16.

Disposals included dmg information's Lewtan, a financial information business, and dmg events' digital marketing business. As part of the Dealogic transaction, Euromoney disposed of Capital Data and its interest in Capital Net. In October 2014, dmg media disposed of Jobsite, the final part of the digital recruitment business, Evenbase.

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

Driving international growth

DMGT's long-term strategic objective is to develop into a global growth company. Our international revenues now account for 49% of total revenues with 30% coming from North America and 19% from the Rest of the World. Revenues from outside the UK grew at an underlying rate of 5%.

We are progressively establishing offices and investing in businesses in Asia, Africa and South America while continuing to expand in the US. The B2B office in Singapore has created a base from which to expand into Asia over the longer term. dmg information has made various investments in US, Indian and Chinese property information businesses. dmg events launched the Global African Investment Summit which addresses opportunities throughout the continent. Euromoney continues to invest in emerging markets with new Asian product launches. MailOnline has seen further expansion into the US, through the investment in editorial teams, and dmg media's acquisition of Elite Daily.

Using technology to enable growth

Technology is a business enabler for our proprietary content through platform development or from exploiting device-led opportunities. In the past year, we have continued to develop and harness the potential of various platform and

MEETING DMGT'S INVESTMENT CRITERIA

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

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

software developments from RMS(one), through to Hobsons' Radius platform and Euromoney's Delphi content management system. In the consumer media environment, the ongoing shift in audience consumption of content from desktop to mobile applications, coupled with an increased demand for video content, has driven MailOnline's strategy to invest in technology. Advertising initiatives specifically designed for mobile applications have been launched to capture new revenue streams. Investment in video content is also being made to increase audience and engagement levels.

One way in which we measure our ability to harness technology has been through monitoring the proportion of our revenues from digital sources. In FY 2015, we have seen a further increase in the digital share of Group revenue to 47%. The proportion of digital revenues is expected to continue to grow given trends in both B2B and consumer markets.

Attracting and developing entrepreneurial talent

Creating a culture where innovation thrives is vital in attracting and developing talent. The overall quality of our people will dictate the pace and success of the Group's future growth. Our businesses continue to achieve external recognition, with a range of awards over the past year reflecting the strength of talent at DMGT.

DMGT has established a strategy on how to recruit, retain and develop its talent to ensure ongoing success. One of the main initiatives has been the Leadership Development Programme which 119 senior leaders had attended by the end of FY 2015. It considers the fundamentals of how technology, market dynamics, innovation and customer needs can be addressed to grow our businesses. There has been an additional focus on how we can improve our approach to innovation and product development and, in particular, we have enhanced the strength of our technology teams during the year.

It is important to adapt our remuneration arrangements to reflect rapidly changing market conditions and the Group's longer-term investment horizon.

Details of our approach to training, management and remuneration are set out later in the Report in Our People (pages 40 and 41) and in the Remuneration Report (pages 66 to 79).

TRENDS AFFECTING DMGT

Although many of our markets remain challenging from an economic perspective, we believe that the pace of technological change and its impact on patterns of consumption in both B2B and consumer environments continue to represent opportunities.

We are striving to ensure the Group is well placed to harness these.

See pages 6 and 7.

Outlook

The Board remains confident that the Group has excellent long-term growth prospects. Through a continued focus on innovation, an entrepreneurial approach and ongoing investment, DMGT's diverse portfolio of businesses provides a sustainable basis for growth over the business cycle.

In FY 2016, we will continue to build the long-term value of our businesses while focusing on withstanding potentially volatile market conditions. Given our financial strength, we are in a position to capture growth opportunities through targeted investment and acquisitions and to increase shareholder returns. DMGT's long-term outlook remains positive and we look forward to making further progress in the year ahead.

Martin Morgan
Chief Executive

KEY PERFORMANCE INDICATORS

Measuring our performance

OUR STRATEGIC PRIORITIES

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

Description | Relevance | Performance | Narrative | Strategic priority

Underlying revenue growth

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

Performance:

Year	Underlying revenue growth
2015	+1%
2014	+5%
2013	+2%
2012	+3%
2011	+3%

Narrative:

Underlying revenue growth

+1%

2014: +5%

The continued underlying revenue growth reflects the strength of the B2B businesses' +3% and a resilient performance from dmg media.

Group adjusted profit before tax

Relevance: DMGT actively manages its portfolio and allocates capital to increase adjusted profit before tax over the long term.

Performance:

Year	Group adjusted profit before tax
2015	£281m
2014	£291m
2013	£267m
2012	£247m
2011	£220m

Narrative:

Group adjusted profit before tax#*

£281m

2014: £291m

Group adjusted profit before tax declined by 4%, reflecting the increased investment in RMS(one) and the challenging market conditions facing Euromoney.

Net debt/ EBITDA ratio

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

Performance:

Year	Net debt/EBITDA
2015	1.8x
2014	1.5x
2013	1.6x
2012	1.7x
2011	2.0x

Narrative:

Net debt/EBITDA

1.8x

2014: 1.5x

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

Adjusted earnings per share

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

Performance:

Year	Adjusted earnings per share
2015	59.7p
2014	55.7p
2013	49.9p
2012	47.4p
2011	43.6p

Narrative:

Adjusted earnings per share#*

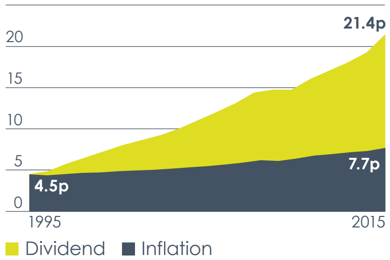
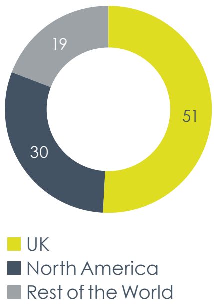
59.7p

2014: 55.7p

The continued growth in adjusted earnings per share reflects the growth in adjusted profits after tax and the effect of share buy-back programmes.

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

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

Description	Relevance	Performance	Narrative	Strategic priority
Dividend per share	The Board's policy is to maintain dividend growth in real terms over the long term and for this to be supported by earnings per share growth.		**Dividend per share** **21.4p** **2014: 20.4p** We have proposed a full-year dividend of 21.4 pence, up by 5% from last year, continuing our strong track record of dividend growth and delivering an 8% cumulative annual growth rate over the past 20 years.	
International share of total revenues	DMGT's long-term strategic objective is to develop into a global growth company. This KPI measures DMGT's success in internationalising the business.		**International share of total revenues#** **49%** **2014: 47%** The international share of total revenues reflects the changing mix of the business as well as the strengthening of the US dollar relative to the British pound.	
Organic investment as a % of total revenues	Investing back into the businesses to support product innovation and effective use of technology is key to delivering DMGT's sustained long-term growth. The Board expects organic investment to be at least 5% of revenues.	**7%**	**Organic investment as a % of total revenues** **7%** **2014: 7%** DMGT continued to reinvest in the businesses during the year, notably in RMS, dmg information, Euromoney and MailOnline.	
Talent reviews	These are owned by the CEOs of each principal business. The reviews evaluate the quality of leadership focusing on succession planning, business-critical positions outside of the leadership team and the depth of teams at the operating companies.	The type of positions evaluated in FY 2015 was increased and widened. The talent review programme will be kept under review during FY 2016 and updated as necessary.	Each talent review is designed to assess the capability and capacity for each of the operating companies to enable them to deliver on their strategy.	

\# From continuing and discontinued operations.

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

RMS

RMS is a vibrant company, serving the insurance industry with innovative risk management solutions. Investment has been directed towards both the core modelling business and the continued development of RMS(one) to support long-term growth opportunities.

Business review

	2015 £m	2014 £m	Movement %	Underlying %
Revenue	**187**	172	+9%	+1%
Operating profit*	**27**	45	(42%)	(46%)
Operating margin*	**14%**	26%		

* Before exceptional items, impairment of intangible assets and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 91 and the reconciliation in Note 13 to the Accounts.

Hemant Shah
Co-Founder and CEO

Key developments

- Release of RiskLink15 software and upgraded European Windstorm and North Atlantic Hurricane models.
- Completion of new RMS(one) design and architecture, leading to staged releases of the system throughout 2016.
- Development of the first High-Definition (HD) European Flood model in the market.

RMS is focused on execution and investment for organic growth, in both its core modelling business and in the development of a new risk modelling platform for the industry, RMS(one).

The release of the company's core risk modelling software product, RiskLink15 in March 2015, delivered significant enhancements to the flagship North Atlantic Hurricane and European Windstorm models. For the first time, RiskLink15 was delivered through electronic download via RMS's data centres.

This has been achieved alongside the continued development of RMS(one) and High-Definition (HD) models that deliver better data and solve more complex exposure and risk management problems for RMS customers.

Business model

RMS offers its models, data, services and software to insurers, brokers and reinsurers. Its solutions are increasingly in demand from new capital market entrants into the risk and insurance market.

Revenues are derived mainly from annual subscriptions. RMS also offers a variety of analytical, managed and hosted services, often to augment its customers' licensing of the models and data products.

Performance highlights

RMS produced underlying revenue growth of 1%. Reported revenues were up 9% at £187 million reflecting the benefit of the stronger US dollar versus the British pound. The core modelling business saw continuing demand for its subscription services, despite challenging conditions in the reinsurance industry and the impact of some consolidation within RMS's customer base. Overall renewal rates remained above 95%.

Operating profit was down an underlying 46% at £27 million with an operating margin of 14%, in line with the guidance provided in November 2014. Continued investment in the core modelling business and significant planned expenditure relating to the Software as a Service (SaaS) platform, RMS(one), adversely impacted the operating margin as expected. There was a significant and planned increase in data centre costs relating to RMS(one) and a reduction in the capitalisation of expenditure in developing the product.

Strategic priorities

As the risk and insurance industry consolidates and scales, RMS's customers and prospects are increasingly competing on data, analytics, systems and technology as fundamental drivers of advantage in the market.

Industry participants are looking for opportunities not simply to manage the risks they underwrite today, but to increase their relevance by using models and data to inform their own insurance and insurance-linked product development and create new financial solutions for a riskier world.

RMS's strategy to meet this demand entails investments in its core modelling business, as well as in RMS(one).

Fostering innovation to deliver organic growth

In the core business, RMS maintained its leadership position in risk modelling and innovation by applying the most advanced assessments of catastrophe risk, incorporating global and local scientific, engineering and technological expertise to capture the unique risk characteristics of hazards and regions.

The company's largest global modelling team to date is currently developing 44 new models and data products, representing a 25% increase in its catalogue.

RMS continues to partner with customers to develop and deliver new solutions to underwrite risk including a comprehensive risk model for marine and cargo.

The company has also begun to apply mobile technology to the evaluation and analysis of risk. In 2015 it released its first iPad application, RiskAssessor, to help on-site engineers capture data from the field.

Using technology to enable growth

RMS(one) continued to be a major area of focus and investment. Building on its software development capabilities, the company has adopted new tools and techniques for advanced data analytics and deployed agile development processes.

RMS has completed the technical design and architecture of the RMS(one) platform and during this time there has been strong continuing support for the platform from the company's Joint Development Partners as well as its wider customer base.

RMS is working closely with its clients on the evaluation of the first High-Definition model, European Flood, powered by RMS(one), and remains on track to release additional applications for exposure analytics and risk modelling, in stages during 2016, with clients being able to begin migrating from Risk Link to RMS(one) by the end of 2016.

Attracting and developing talent

To ensure successful development, particularly of RMS(one), a key priority for RMS has been to strengthen its software product management, engineering and delivery teams.

The company has recruited experienced new technical and business leadership, including a new Chief Technology Officer, a new General Manager for RMS software and a new leader of Cloud Operations.

RMS also continues to invest in and develop a world-class team of professionals in catastrophe modelling, to strengthen further the core science that has put the company in a leading market position. The company's catastrophe modelling team has increased in size over the last two years.

Driving international growth

RMS has built a diverse global list of customers, deriving nearly 40% of its revenues from customers outside North America. A new office opened in Singapore which creates a base from which to further expand into Asia.

Over the longer term, RMS aims to grow its business by upgrading and adding new countries to existing models, thereby creating further value for its current and potential new customers.

Risks

The most significant risks for RMS are those relating to the release and subsequent performance of RMS(one). A further delay to RMS(one) would have a significant impact on the reputation of the business. RMS is dependent on a small number of third parties for platform and application development. Underperformance by one or more of these third parties could jeopardise the release, the quality of the final product, or subsequent client adoption rates. In addition, RMS's in-house team continues to have a major role in the development, release and revenue generation of RMS(one). The risk of the loss of key talent remains relevant.

Following the release, the sales performance of RMS(one) is uncertain. For example, if client adoption is lower than expected, the product is not in line with client expectations or the cloud infrastructure does not meet client usage requirements. Furthermore, an information security breach or cyberattack could compromise the integrity and availability of the product.

More information see page 36.

Priorities in the year ahead

The main focus for the RMS management team in FY 2016 will be the staged availability of RMS(one) starting with the first HD model, European Flood, on the RMS(one) platform.

The release of two further HD models in 2016, Japan Typhoon and New Zealand Earthquake, alongside additional modules of RMS(one) are planned further milestones for the business.

Outlook

RMS expects to release or update more models, including the first HD models, in 2015–2017 than in any other three-year period in its history.

Incremental revenues from RMS(one) are expected to develop gradually and to have a beneficial impact in FY 2017.

RMS's underlying revenue growth rate is expected to be in the low single digits in FY 2016 and the operating margin to remain stable.

Strategy in action

RMS FLAGSHIP MODEL UPGRADES IN 2015

North Atlantic Hurricane model

- The industry's only combined wind and coastal surge model.
- Incorporates the latest science on hurricane activity as well as US$3 billion in detailed claims data from Superstorm Sandy.
- New capability to assess coastal flood losses.

European Windstorm model

- Incorporates additional claims data and the latest science to upgrade the model.
- Applies new techniques to capture clustering of storms around the continent.
- Enhanced to support customers' Solvency II regulatory compliance, enabling customers to validate their view of own risk.

Strategy in action

RMS(ONE)

- A Software as a Service (SaaS) exposure management platform.
- An ecosystem for customers and developers to build their own applications and models.
- Big data and analytics platform purpose-built for the insurance industry.

DMG INFORMATION

Significant organic investment and strategic M&A activity have driven dmg information's growth. Its domain expertise and specialist B2B services, combined with an entrepreneurial management approach, support its long-term growth prospects.

Business review

	2015 £m	2014 £m	Movement %	Underlying %
Revenue	**430**	391	+10%	+8%
Operating profit*	**75**	68	+10%	+9%
Operating margin*	**17%**	17%		

* Before exceptional items, impairment of goodwill and intangible assets and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 91 and the reconciliation in Note 13 to the Accounts.

Suresh Kavan
Chief Executive

Key developments

- Continued investment in organic product development.
- M&A activity across all sectors to support long-term growth.
- Growth from property businesses despite challenging markets.
- Genscape double-digit underlying growth driven by new products and sector expansion.
- Hobsons' margin improvement reflects benefit of recent technology investment.

dmg information is a portfolio of companies with market-leading positions in the property information, education, and energy sectors. dmg information's capacity to scale the business for the long term is supported by high-value B2B content and information services that are provided to a loyal customer base.

Business model

Each of dmg information's companies has a strong position in its market niche, operating in attractive, long-cycle sectors with good growth prospects. Its strategy is to combine proprietary content and domain expertise with a focus on class-leading information and solutions delivery. This ensures that close customer relationships are built and maintained. Around 90% of dmg information's revenues are from subscriptions or quasi-subscriptions with high renewal rates and good profit margins.

Performance highlights

dmg information delivered good results in FY 2015 driven by strong growth from the energy and US property businesses and solid progress in the education and European property business. Revenues were £430 million with underlying growth of 8%. Reported revenue growth was 10%, reflecting the benefit of acquisitions as well as the positive impact of a stronger US dollar relative to the British pound.

Operating profit increased by an underlying 9% to £75 million with an operating margin of 17% which was in line with the previous year, reflecting an improved margin for the education business, continued investment in product innovation and new launches to drive long-term organic growth, particularly in the US property portfolio. The acquisition of high-growth but low-margin or loss-making businesses has also impacted group margins in the near term.

dmg information continued to make strategic acquisitions and investments to enhance its ability to scale the businesses over time and bring in new entrepreneurs to the organisation.

In property, revenues grew by 6% on an underlying basis. In Europe, Landmark and SearchFlow produced underlying growth of 4% despite weakness in the UK residential property market. The five US-based property businesses, including EDR and Trepp, collectively delivered underlying revenue growth of 9%, despite US commercial property market volumes remaining relatively stable. The earlier stage operating companies, Xceligent, SiteCompli and BuildFax grew particularly strongly. Growth was supported by significant investment in new products, geographic coverage, sales forces and technological developments. The operating profit of the property information businesses increased by an underlying 7% to £57 million, despite increased investment in Xceligent and SiteCompli during the year.

In education, Hobsons produced another year of growth with underlying revenues up 6%. There was a good increase in the profit margin due to the benefits of new technology platforms, in particular Radius, operating on a lower cost base. Higher education revenues were adversely impacted by the completion, in September 2014, of a multi-year contract for a major client, enabling them to deliver in-house services that were previously outsourced to Hobsons and, excluding this impact, underlying revenue growth was 14%. There continues to be strong demand, particularly in the US, for online advisory and enrolment services for high schools and higher education institutions, in which Hobsons has a leading market position. Hobsons continues to improve its operating margin.

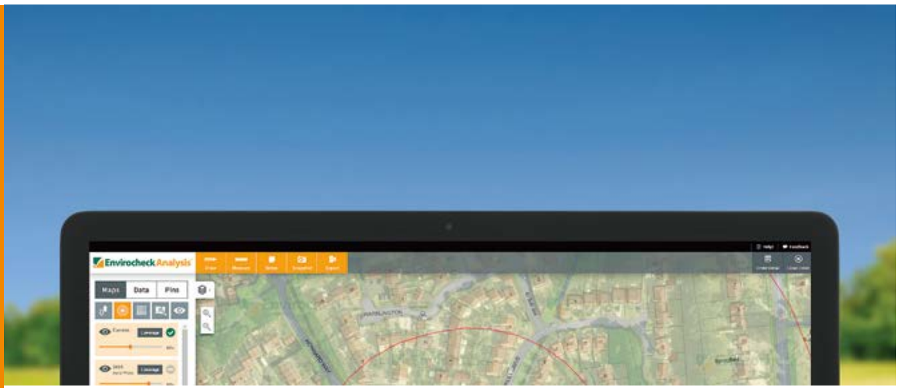
In energy, Genscape produced a strong performance with underlying revenues up 19%. There was strong demand for the real-time, fundamental production data and analysis that Genscape provides across the power, oil, gas, agriculture, biofuels, water and maritime shipping markets. Organic growth was supported by strategic bolt-on M&A activity. Genscape continued to pursue its

Strategy in action

DMGI LAND & PROPERTY EMEA & APAC

Innovating to grow in challenging market conditions

- The strategy is to continue to provide innovative new products and services to existing customer segments and to expand the business across the property value chain to adjacent customer segments.
- Innovative product launches have been key to supporting growth through weaker markets by further development of mobile property valuation software, development of the property database services and improved and new reports for use by conveyancing solicitors, acting in residential and commercial transactions.
- Growth achieved despite lower residential UK property market volumes.
- dmg information's European property businesses, Landmark and SearchFlow, delivered underlying revenue growth of 4% in 2015.



long-term strategy of expanding products and services in existing energy and commodity markets as well as making inroads into new, adjacent sectors, including solar energy through the purchase of Locus Energy. Further details about Locus Energy can be found on page 20. Organic investment and the acquisition of early-stage businesses had an adverse impact on Genscape's margin.

Strategic priorities

dmg information remains focused on investing in the long-term sustainable growth trajectory of its portfolio of operating companies. Management continues to balance strong investment in innovative, organic product development with strategic bolt-on acquisitions.

Fostering innovation to deliver organic growth

Innovation is at the heart of dmg information's strategy to grow the business and new products remain a key driver of growth, evidenced through Landmark's robust performance in difficult European property market conditions (see Strategy in action, above, for further information).

In education, Hobsons' development of the innovative Naviance Curriculum product has filled a gap in the US college and career planning market. Student managed and driven, the service provides an engaging experience for students to navigate the college and career-readiness ecosystem.

Using technology to enable growth

Technology remains a core driver of dmg information's commitment to provide relevant, high-value and specialist B2B services. New Chief Technology Officers have been brought into its businesses, specifically in Hobsons, to ensure its products are provided on best-in-class technology platforms.

Maintaining rigorous and active portfolio management

dmg information has developed a good track record of creating value through strategic and bolt-on acquisitions and equity investments. Its strategy is to develop deep vertical knowledge within its sectors and build close relationships with potential target businesses. This ensures that any business brought into dmg information's portfolio is aligned with its culture and growth ambitions. It is also an effective way of attracting new entrepreneurs who believe they can thrive under its light-touch management approach.

dmg information continued to be active in M&A during the year. In February 2015, Hobsons acquired Starfish Retention Solutions. Starfish is a business that helps higher education clients to provide personalised support for their students and to assess which services and interventions will keep students on track to graduating successfully.

In energy, the acquisition of Locus Energy expanded Genscape's analytical information service to the green energy power market. Through the acquisition of Energy Fundamentals, Genscape's coverage was extended to include the European power market. Genscape also increased its holding in Petrotranz from 33% to just over half.

Driving international growth

dmg information continued to pursue international expansion as a foundation for long-term growth.

dmg information has increased investment in its capabilities in Singapore, a hub that remains key to expanding into Asia over the long term. Headcount has also increased at its offices in Hong Kong and New Delhi. dmg information's strategy in these locations is to make small, strategic investments to deepen its insight and build relationships with businesses and industries. For example, minority equity stakes were taken in two Indian property businesses, Liases Foras and Propstack. dmg information also made its first investment in China through the acquisition of a minority stake in Funcent, another property information business.

Strategy in action

QMOBILE

- QMobile is an intelligent property data capture solution that replaces manual, paper-based mortgage valuation forms for residential chartered surveyors.
- An innovative product that was launched into a significant gap in the UK residential surveying market.
- QMobile is now used by all major insurers and is the industry standard for electronic conveyancing tools.

> "DMG INFORMATION LIKES TO INVEST AND BACK ENTREPRENEURIAL IDEAS."

2015 Bloomberg New Energy Pioneer

Attracting and developing entrepreneurial talent

dmg information nurtures an environment where entrepreneurs have the freedom to innovate and lead their companies in a fast-changing market. dmg information likes to invest in and back entrepreneurial ideas. A good example is its investment in SiteCompli, which subsequently acquired Empower in July 2015. The combination of the two entrepreneurial management teams, complementary products and clients will allow the combined company to accelerate the delivery of innovative products to its clients.

In February 2015, 80 of dmg information's employees attended an innovation workshop. This successful initiative will be rolled out across the business in the coming years. Appropriate incentive schemes are being developed to reward those who provide the foundations for its future growth through innovation. dmg information has also focused on providing the appropriate skills, training and support for its leaders to be able to manage their operating companies on a larger scale.

Risks

The key risks impacting dmg information businesses are those arising from a data security breach or cyberattack, and the regulation of data. For the operating companies which hold significant volumes of data, some of which is personal in nature, a data breach would negatively impact the reputation of the business and trust of its customers.

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

dmg information operating companies are continually innovating their products and services. This innovation requires investment and carries a degree of uncertainty. The most significant investment currently under way is in Xceligent.

Other risks relating to dmg information's high-growth operating companies include talent retention and the emergence of new competitors.

More information see page 36.

Priorities in the year ahead

dmg information will continue to strengthen its capacity to scale the businesses within the portfolio to enhance long-term growth opportunities. Many of its operating companies are in an accelerated growth cycle, requiring organic investment to ensure that their products and services are at the forefront of the niche markets they serve. dmg information will also continue to make further bolt-on acquisitions. International expansion and entry into new sectors will be other factors in laying the foundations for long-term growth.

Outlook

dmg information is expected to benefit from new product initiatives and strong customer demand, as well as good revenue performance from recent acquisitions in all its sectors. Underlying revenue growth is expected to be in the region of 10%. The business continues to target sustained double-digit underlying revenue growth through investment in organic initiatives and continued bolt-on acquisitions. The impact of this investment, combined with the recent early-stage, low-margin and loss-making acquisitions, is expected to result in an operating margin in the mid-teens in FY 2016.

Strategy in action

LOCUS ENERGY

- Locus Energy is a solar monitoring and data analytics platform provider for the distributed photovoltaics market – spanning the residential, commercial and utility sectors.
- Its cloud-based software aggregates and organises large amounts of performance data from multiple sources, making it easier to access, manage and analyse the causes of a solar energy system's failure to meet performance expectations.
- The growing importance of solar in the mix of worldwide energy generation is an opportunity for Genscape to expand into a new, near-adjacent energy asset class.

DMG EVENTS

dmg events' entrepreneurial and innovative culture has created opportunities in many new geographies and exciting emerging markets.

Business review

	2015 £m	2014 £m	Movement %	Underlying %
Revenue	**95**	100	(5%)	+16%
Operating profit*	**20**	27	(26%)	+28%
Operating margin*	**21%**	27%		

* Before exceptional items, impairment and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 91 and the reconciliation in Note 13 to the Accounts.

Geoff Dickinson
CEO

Key developments

- Non-occurrence of Gastech in FY 2015.
- Increased frequency of key events by establishing the Global Petroleum Show as an annual event.
- Creation of spin-off events with Middle East Stone from Big 5 and Middle East Coverings from INDEX.
- Continued geo-cloning with the first edition of Big 5 Construct Indonesia in Jakarta, May 2015.
- Disposal of digital marketing events in September 2015.

dmg events' entrepreneurial culture backed by ongoing organic investment has created the environment to deliver strong growth. dmg events has successfully launched into many new geographies and developed footholds in emerging markets, with over 300,000 visitors per year and over 11,000 exhibitors from more than 60 countries and operating over 75 events annually over 20 countries.

Business model

dmg events is an organiser of B2B exhibitions and associated conferences focusing on the energy, construction and interiors sectors.

Major events have offered multiple opportunities, including geo-cloning, satellite and bolt-on events, plus the ability to spin off sections to become stand-alone events. By developing content and customer appeal, visitor audiences have grown significantly, helping to increase event revenues and major event frequencies.

Performance highlights

dmg events delivered strong results in 2015, with underlying revenue growth of 16% and underlying profit growth of 28%. Margins were a healthy 21%. The strength of the events portfolio secured excellent underlying revenue and profit growth for the fifth consecutive year despite pressure from the lower oil price. Year-on-year reported results were impacted by the absence of Gastech which occurred in March 2014 and October 2015. There was, however, some offset due to the stronger US dollar relative to the British pound over the year.

Investment in data and analytics stimulated a significant rise in event audiences with ADIPEC, one of the largest events, increasing by over 30%. The Global Petroleum Show moved to its first annual edition in June 2015 from the previous biennial event, replacing the previously operated GO Expo (for more information on this go to page 22). The other major brands such as Big 5 construction, INDEX interiors and The Hotel & Leisure Show all enjoyed solid space, visitor, revenue and profit growth. The year saw a variety of successful launches in spin-off events, including Middle East Stone in Dubai from Big 5 and Middle East Coverings from INDEX. Big 5 continued its geo-clone programme with the first edition of Big 5 Construct Indonesia in Jakarta in May 2015.

Strategic priorities

Developing a balanced and diversified portfolio of market-leading, branded events remains a strategic priority.

dmg events' strong position in the high-spend, long-cycle sectors of Energy, Construction & Interiors and Hotel & Leisure continues to provide good growth opportunities. When the size of venues could restrict growth, dmg events has developed a successful strategy of creating spin-off events. In addition, new geographies and new sectors are continually investigated for both acquisition and launch in established and emerging markets.

Innovation and technology fostering organic growth

In the past year, various initiatives, created by investment in data and analytics, have helped develop online communities to foster customer engagement, such as the Big 5 Hub and Gastech News. Further investments are being made in visitor monitoring technology to continually improve the visitor experience.

More information see page 22.

International growth

A strong track record in building stakeholder relationships has driven our international expansion. The Global African Investment Summit, which took place in London for the first time in 2014, established excellent relationships with African leaders, which has allowed dmg events to launch similar events across Africa. Emerging markets have played a key role in our success and further expansion into the Arabian Gulf, India, Africa, South East Asia and Latin America is expected.

OPERATING BUSINESS REVIEW
CONTINUED

Strategy in action
GLOBAL PETROLEUM SHOW

- Global Petroleum Show (GPS) was previously held biennially in Calgary since 1968 and became one of the largest and most popular energy exhibitions in the world. On 'off years', a smaller event, GO Expo was held.
- Based on customer feedback, a carefully engineered strategy was developed to annualise GPS.
- In June 2015, GPS was held on an annual basis for the first time in place of GO Expo and proved to be a tremendous success.
- Exhibitor space increased by nearly three times compared to GO Expo 2013.
- Visitor numbers were 60% greater than GO Expo 2013.

Active portfolio management
Three small-scale strategic acquisitions of Gulf Glass, GulfSol and the Outdoor Design & Build show further bolstered the Middle East portfolio in the construction and energy sectors. In September 2015, the digital marketing events were sold as they were not aligned to dmg events' preferred sector strategy.

Attracting and developing entrepreneurial talent
An entrepreneurial, agile and adaptable culture has been an important factor in attracting and retaining, as well as developing, talent over the past year. Our commitment to this has seen numerous internal promotions, including a number of senior roles affirming the quality of the team, along with the training, coaching and mentoring that has equipped them for the future. Light touch management is combined with rewards and incentive programmes geared to attract and encourage entrepreneurial talent.

Risks
The key risks facing dmg events are the reliance on certain industry sectors and the lack of availability of alternative venues.

A slowdown in one of dmg events' main show sectors could have an impact on the results for the shows that support that industry sector. Falling oil prices did not significantly impact the energy shows in FY 2015, but they will negatively impact FY 2016 shows.

The loss of a key venue shortly before a major show could result in a cancelled or significantly curtailed event with a resultant impact on both revenue in the year of cancellation and potentially in subsequent years.

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

More information see page 36.

Priorities for the year ahead
The strategic priorities in 2016 will continue to focus on broadening the events footprint, both geographically and by sector, to offer an expanded runway for long-term growth. There will be a continued focus on innovation to drive organic growth and rigorous and active portfolio management to build out the future pipeline of events through launches and strategic acquisitions.

Outlook
dmg events will benefit from the occurrence of the Gastech event but results are expected to be adversely impacted by the disposal of the digital marketing events and weak energy prices, with energy-related events accounting for approximately half of revenues. Both underlying and reported revenue is expected to grow by around 5% and the operating margin is expected to increase to around 25% in FY 2016.

Strategy in action
VISITOR EXPERIENCE

dmg events recognises that by improving the visitor experience this has a direct impact on returning and growing event visitors.

dmg events has invested in data platforms to better understand its visitors in order to communicate more effectively with them prior to an event to gauge key areas of product interest. The event apps help visitors navigate large fairs with greater ease, receive alerts connected to their areas of interest and stay connected with industry peers during an event.

Smart badging is also allowing dmg events to create improved visitor flows and identify its main areas of event interest. A focus on high-quality education and training, as well as live demonstrations and workshops, add to the overall attendee experience of being at a dmg event.

Event	FY 2014		FY 2015		FY 2016		FY 2017		FY 2018	
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2
Big 5 Dubai	○		○		○		○		○	
ADIPEC	○		○		○		○		○	
Global Petroleum Show		◌		○		○		○		○
Gastech	◎				◎			◎		

○ Annual ◌ Biennial ◎ c.18 months

EUROMONEY INSTITUTIONAL INVESTOR

Despite challenging market conditions this year, Euromoney's market-leading operating companies are well placed to benefit from long-term global trends in the finance, metals and commodities sectors.

Business review

	2015 £m	2014 £m	Movement %	Underlying %
Revenue	**403**	407	(1%)	(2%)
Operating profit*	**107**	117	(9%)	(15%)
Operating margin*	**26%**	29%		

* Before exceptional items, impairment of goodwill and intangible assets and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 91, segment analysis in Note 3 to the Accounts and the reconciliation in Note 13 to the Accounts.

Christopher Fordham
Managing Director

Key developments

- Continued investment in organic product launches such as BCA Research and Investor Intelligence Network (IIN).
- Development of Delphi digital platform completed with good results.
- Acquisition of 15.5% in Dealogic Holdings.
- New Executive Chairman Andrew Rashbass appointed to succeed Richard Ensor in October 2015.

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

Business model

Euromoney is an entrepreneurial B2B business with a diverse portfolio of companies, operating in fast-changing, international markets. The business is focused on the international finance, metals and commodities sectors. It provides digital research and data, publishes both online and print titles and runs conferences, seminars and training courses all over the world. Investment in its Delphi digital platform enables the long-term growth of its products and services, with a particular strategic focus on increasing the proportion of subscription revenues. Half of Euromoney's revenues derive from subscriptions and a third from emerging markets.

Performance highlights

Euromoney's performance reflects the continuing challenges faced by its customers, particularly within the investment banking sector and, in the second half of FY 2015, in the energy and commodity sectors. Revenues were down by 2% on an underlying basis at £403 million, with reported revenues down 1% reflecting the benefit of a stronger US dollar relative to the British pound.

The pressures on the investment banking sector, which accounted for roughly half of Euromoney's revenues, and on fixed income, currency and commodities activities in particular, continued to offset the improving performance in its operating companies serving the asset management sector.

Subscription revenues continued to grow, supported by a strong asset management market, and were up an underlying 2%. Advertising revenues deteriorated through the year and declined at a faster rate than in FY 2014, reflecting continued budgetary pressures in global financial institutions and were down an underlying 11%. Large events, particularly in the finance and telecoms sectors, performed well. However, weaker energy prices, particularly for coal and oil, started to have a significant impact on revenues from smaller events and training in those sectors during the second half of the year, such that event sponsorship and delegate revenues were down by 2% and 5% respectively, on an underlying basis, for the year as a whole.

Adjusted operating profits fell by 9%. As expected, the adjusted operating margin fell from 29% to 26%, reflecting the impact of higher property and technology investment costs, the disposal of Capital Data and the high marginal profit on declining advertising and delegate revenues.

During the year, Euromoney increased its investment in technology and digital products and continued the development of the new Delphi digital platform, which authors, stores and delivers content to all relevant operating companies in the portfolio. There was an increased focus on developing and launching new, innovative products to enhance organic revenue growth through both Delphi and other technology platforms. M&A activity remains an important feature of Euromoney's strategy to supplement organic growth.

In April 2015, Euromoney announced the appointment of Andrew Rashbass as Executive Chairman to succeed Richard Ensor who retired at the end of September 2015. Richard retired after nearly 40 years at Euromoney and has been at the heart of the successful strategy to build Euromoney into the global business it is today. Andrew Rashbass joined Euromoney on a part-time basis in June and full-time in October 2015. He was subsequently appointed Chief Executive as announced on 19 November 2015.

Strategy in action

BCA RESEARCH

Reaping the benefits of the Delphi platform

Continued innovation in content and digital solutions including:

- BCA Edge launched, enabling users to discover and integrate research content into investment workflows quickly;
  - average satisfaction rate of 92%;
  - time to discover actionable insights reduced by 90%;
- BCA Indicators – first data product to integrate BCA's market-leading proprietary indicators into client models and systems; and
- working with Estimize to build a set of innovative features and products around individual company earnings, revenue and economic forecasts.

Strategy in action

INVESTOR INTELLIGENCE NETWORK

Euromoney's largest current investment is the Investor Intelligence Network (IIN) for Institutional Investor

- IIN is a digital disruptive technology that brings together institutional investors and investment managers in two separate but linked online communities using data science to connect these buyers and sellers of investment funds in a targeted way.
- Good progress in IIN's development in FY 2015 saw membership growth of 28%, growth in member assets under management of 13% to US$28 trillion and 180 new institutional investors joining the Network in North America.
- Revenues will come from capital introduction fees, data services, platform fees and, subject to regulatory approval being obtained, which is now expected in spring 2016, the ability to charge basis points on capital placed.

Strategic priorities

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

Fostering innovation to deliver organic growth

Euromoney has continued to focus on innovation and investing in organic growth to harness new product opportunities across its operating companies.

Thought Leadership is an innovative new business, launched in July 2015, which takes advantage of Euromoney's strengths in identifying, convening and engaging senior level global audiences across a range of sectors to discuss business-critical issues.

Using technology to enable growth

The roll-out of the Delphi platform will improve the quality of Euromoney's existing subscription products and increase the speed to market of new digital information services. BCA Research, Euromoney's largest business, is already benefiting from new investments made as a result of the new platform (see Strategy in action BCA Research above, left, for further information).

New products launched this year through Delphi include Capacity Intelligence, an online subscription-based database providing proprietary information on telecoms companies, targeted at executives working within the industry as well as analysts and advisers. The database has information on more than 900 companies and is used by subscribers to develop their telecoms network, identify new customers and increase their knowledge of the competitive landscape. The HedgeFund Intelligence (HFI) business is also using the Delphi platform to build a sophisticated relationship database of hedge fund performance which adds new functionality, customer and interactive features for users.

Maintaining rigorous and active portfolio management

Euromoney's approach to making investments has broadened to include taking minority stakes in early-stage businesses, primarily within the financial technology area and in businesses which are content driven and producing high rates of growth.

A 15.5% equity stake investment in Dealogic Holdings plc was made in December 2014, expanding the scope of Euromoney's activities in the global financial technology sector. The acquisition was funded by the sale of Euromoney's interests in Capital DATA and Capital NET. In July 2015, Euromoney acquired a 10% equity stake in Estimize, a comprehensive financial estimates platform that sources data from over 7,000 hedge fund, brokerage, and independent analysts as well as a diverse community of individuals. The strategy to grow the business includes cross-platform data collaboration between Estimize and BCA Research and the two firms are now building new datasets.

In September 2015, Euromoney acquired a 10% interest in Zanbato Inc, an international private capital placements platform and workflow tools provider, for a consideration of US$5.5 million. Founded in 2010, Zanbato is a California-based business focused on building technology to address inefficiencies in private capital markets. Zanbato's Marketplace software enables institutional investors and family offices to access direct private investment opportunities. The software is used across several verticals, including fund stakes, pre-IPO company shares and real estate. In addition, Zanbato and Institutional Investor have entered into a joint venture to bring together the technology of Zanbato and the market reach of Institutional Investor's Investor Intelligence Network to serve the institutional segment of the private placements market.

Driving international growth

Euromoney is already a diverse and global business, with offices in key markets around the world.

There has been continued investment in Euromoney's emerging markets businesses. CEIC Data is a provider of macroeconomic data on developing economies around the world and is launching new products to become a facilitator of actionable insights on data discovery. For example, the online China Discovery demographic product and the ASEAN premium database are next-generation products. They allow users to find and transform relevant data efficiently to create rich charts, maps and other visualisation tools that provide actionable insights, and the ability to integrate these into their workflows.

Euromoney's conference businesses expanded their geographic presence with new events launched, for instance, in Honduras and Zambia.

Strategy in action
DEALOGIC

In FY 2015, Euromoney undertook to expand the scope of its activities in the capital markets sector, with particular emphasis on digital workflow solutions for financial institutions

- Euromoney invested US$59.2 million to acquire a 15.5% stake alongside the Carlyle Group in Dealogic, a leading SaaS and data analytics platform for the global investment banking sector.
- With a designated seat on the Board, Euromoney will have 20% of the voting and 15.5% follow-on investment rights, and will be well placed to access the attractive economics of the leveraged buyout structure.
- In August 2015, Dealogic acquired A2 Access, the market leader in digital workflow solutions for investor corporate access management. Euromoney is also exploring commercial collaboration opportunities between its operating companies and Dealogic.

dealogic

Dealogic is a platform of cutting-edge technology, unique content and expert support used by investment banks worldwide

Attracting and developing entrepreneurial talent
A key focus for Euromoney in FY 2015 was to hire new product managers across the business in order to strengthen the relationship between technology teams and customers. There have also been various training initiatives to strengthen Euromoney's product management capabilities.

The Capital Appreciation Plan (CAP) is Euromoney's long-term incentive scheme designed to retain and reward those who drive the Group's profit growth and has been an integral part of its growth strategy since it was first introduced in 2004. In the light of continuing financial market challenges and exchange rate uncertainty, as well as the difficulty of forecasting M&A activity and investment returns, the minimum performance target for the 2014–2017 vesting period cannot be forecast with certainty, with the result that the CAP costs were not provided for in FY 2015.

Risks
Challenging conditions in the global financial markets may continue and this increases the risk of a sharp downturn in one or more of the sectors in which Euromoney operates.

Other significant risks relate to the migration of the publishing businesses from traditional print media to online. This relies on significant investment in technology and satisfying changing customer preferences for accessing and using the Group's products, particularly within emerging markets, and therefore carries a degree of uncertainty.

Euromoney's business model requires it to store valuable information and data including customer and commercial data. Maintaining the confidentiality, integrity and availability of this information is key to the continued success of the business.

Other risks relating to Euromoney include risk of geopolitical unrest or a natural catastrophe affecting travel to its events and conferences, published content risk and management risks arising from running an international portfolio of operating companies.

More information see page 36.

Priorities in the year ahead
Euromoney will focus on investing in product innovation and technology to accelerate its various growth opportunities. It also expects to make further acquisitions when opportunities arise.

“BUILDING A ROBUST AND HIGHLY FOCUSED GLOBAL B2B INFORMATION BUSINESS.”

Outlook
Euromoney's activities in the investment banking and commodities sectors, which together account for more than two-thirds of the company's revenues, continue to face significant structural and cyclical headwinds, while the outlook for emerging markets remains weak. In contrast, the businesses serving the asset management industry, which are predominantly subscription-driven, have remained relatively robust. These conditions are expected to continue for the foreseeable future and the revenue trends experienced in the second half of FY 2015 are continuing into the first half of FY 2016.

Andrew Rashbass, Euromoney's Chief Executive Officer, who was appointed to the Euromoney Board on 1 October 2015, is leading a review of Euromoney's strategy and its portfolio of businesses. Euromoney plans to provide an update on strategy in early 2016.

DMG MEDIA

Quality popular journalism still has significant market appeal and is at the heart of dmg media's strategy to capitalise on the strength of the Mail and Metro brands.

Business review

	2015 £m	2014 £m	Movement %	Underlying %
Revenue	**731**	796	(8%)	(3%)
Operating profit*	**96**	95	+1%	+15%
Operating margin*	**13%**	12%		

* Before exceptional items, impairment of goodwill and intangible assets and amortisation of intangible assets arising on business combinations; see Consolidated Income Statement on page 91, segment analysis in Note 3 to the Accounts and the reconciliation in Note 13 to the Accounts.

Kevin Beatty
Chief Executive

Key developments

- Continued circulation market share gains for Daily Mail and The Mail on Sunday.
- Delivery of ongoing cost efficiencies in newspapers.
- Further investment in MailOnline and strong global audience growth.
- Acquisition of Elite Daily in January 2015.
- Partial disposal of Wowcher, retaining c.30%.

dmg media has continued to focus on delivering highly valued content to a global audience. The platform agnostic approach ensures that it is increasingly flexible in the fast-moving and technologically savvy consumer market.

Business model

dmg media's portfolio of print and digital consumer media businesses includes two of the UK's most read paid-for newspapers, Daily Mail and The Mail on Sunday, and the world's most visited English language newspaper website, MailOnline. The Mail brand is the number one newspaper brand in the UK and has achieved scale in other geographic markets, including the US and Australia.

The portfolio also includes Metro, the UK's most popular free newspaper and during the period, Wowcher, one of the UK's largest vouchering websites.

Revenues are generated from advertising and circulation, with an increasing proportion from digital revenue streams. The newspaper businesses continue to generate the significant proportion of profits whilst the digital businesses continue to deliver revenue growth.

Performance highlights

dmg media delivered good results in the year, with growth in operating profits and improved margin, despite the challenges of a difficult revenue environment.

Revenues were £731 million, down 3% on an underlying basis, reflecting challenging print advertising and circulation markets mitigated in part by good growth from MailOnline and Wowcher's digital revenue streams. Operating profits were £96 million, an underlying increase of 15% with a margin of 13%. Reported profits were marginally up despite the sale of Evenbase. The increase in profitability was achieved on a declining revenue base, supported by previously implemented and ongoing efficiency measures as well as lower newsprint costs and Wowcher's improved profitability during the year. dmg media continued to deliver operational efficiency to allow continued investment in editorial content to ensure the market-leading quality of its products is maintained.

There were £18 million of exceptional restructuring costs incurred, primarily due to reduced headcount in the newspaper businesses.

Mail businesses

Revenues for the combined newspaper and website businesses (Daily Mail, The Mail on Sunday and MailOnline) declined by an underlying 5% to £572 million on an underlying basis.

Advertising revenues from the Mail brands decreased by 4% on an underlying basis to £242 million. Underlying digital growth of 16% to £73 million partly offset the underlying decline in print advertising of 11% to £169 million. The print advertising market deteriorated during the second half of the year, primarily due to a reduction in spend by retailers.

Circulation revenues of £312 million declined by 4%, a good result in the context of the UK newspaper market. This reflects the strength of the Mail brands and an encouraging response to the readership loyalty initiatives implemented in the year (see Strategy in action MyMail, above, right, for more detail). Daily Mail and The Mail on Sunday increased their average share of the UK national newspaper market for the year to 23.2% and 21.8% respectively. The Mail on Sunday increased its cover price by 10 pence to £1.60 in April 2015.

MailOnline grew its global audience to 214 million average unique browsers per month and 13.5 million average daily unique browsers in the year to September 2015, with average growth during the whole year of 24% and 23% respectively. The business continued to focus on increasing the size and engagement level of its global audience, particularly in the US. MailOnline sees good opportunity for growth over the longer term, whether through advertising, eCommerce or new revenue models.

340,000
Mail customers using MyRewards every month

Strategy in action
MYMAIL

The growing newspaper rewards programme

- New online membership hub for Daily Mail and The Mail on Sunday readers launched in October 2014.
- Part of a plan to expand the existing loyalty programme to create a single destination for our consumers where they can access content, commerce and community from the Mail.
- Currently 340,000 readers are engaging with the rewards programme every month, and a total of 1.1 million have registered with MyMail.
- Ambitions to grow our customer base to 1.5 million by the end of FY 2016.

Key initiatives during the year were to bring together the UK Mail brands' commercial sales operations onto one platform and create a cross-channel partnership team focusing on large creative briefs. This enabled a simpler and more relevant offering to advertisers whilst also increasing the efficiency of the cost base. Benefits from this initiative are expected to continue to flow through in FY 2016.

Metro

Metro, the free morning newspaper targeting urban commuters, delivered good results in the year with underlying revenues up 1% at £75 million and an increase in operating margin. It remains the UK's third largest national daily newspaper. Readership of the newspaper increased by 1% in the year to September 2015 reflecting the continued engagement with their core Urbanite audience.

Wowcher

Wowcher, the daily deals and online discounts business, delivered strong growth in revenues, up 25% to £30 million and was profitable during the year. With a database of 8.3 million subscribers at September 2015, up 39% on the prior year, Wowcher continues to leverage technology and product initiatives to drive future growth.

In November 2015, Wowcher was combined with the UK and Irish operations of Living Social and DMGT has retained a c. 30% stake in the new business. The net proceeds from the transaction were £29 million.

Strategic priorities

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

Fostering innovation to deliver organic growth

For the newspapers, constant innovation within the business is a key way to increase market share with readers as well as advertisers. This has been demonstrated through loyalty initiatives for Daily Mail and The Mail on Sunday with the success of MyMail (see Strategy in action MyMail, above, for more detail), and for Metro through implementing creative advertising solutions and improved editorial content to attract new advertisers and readers. These initiatives, together with the benefits from the combined Mail brands' UK sales operation contributed to organic profit growth for all three newspapers in the financial year.

MailOnline has also had innovation at the heart of its strategy to increase the scale of its global audience, raise engagement levels and gain traction with advertisers. MailOnline launched a partnership with Snapchat in January 2015, where an in-app news service will provide users of Snapchat access to a collection of the day's top stories and videos from DailyMail.com (as MailOnline is known in the US). Another partnership initiative includes a collaboration with WPP and Snapchat to launch the first joint global digital content agency, Truffle Pig.

Using technology to enable growth

The ongoing shift in audience consumption of content from desktop to mobile applications alongside an increased appetite for video content has been at the centre of MailOnline's strategy to invest in technology to harness growth opportunities. Investment in video content is also being made to complement top stories and produce video-led stories as a driver of traffic and audience. Advertising initiatives specifically designed for mobile application have been launched to capture new revenue streams.

Maintaining rigorous and active portfolio management

dmg media's strategy to create a focused portfolio of assets progressed in the year with the completion of the disposal of Evenbase, the digital recruitment business, in October 2014. In January 2015 dmg media acquired Elite Daily, the news and entertainment website, to complement MailOnline's operations in the US and extend opportunities to attract advertisers through an expanded millennials audience.

Driving international growth

The primary driver of international growth for dmg media is through MailOnline's operations overseas, particularly in North America and Australia. Nearly a quarter of MailOnline's revenue was generated in the US in the year, with underlying growth of 38% on the prior year, demonstrating increased traction with key advertisers in this very large market.

Strategy in action

GRADUATE PROGRAMME

dmg media's annual Graduate Programme places 15–20 candidates in permanent roles throughout its commercial and professional functions.

Alongside the experience gained from their day-to-day roles, each graduate takes part in a structured programme of training, mentoring and networking, designed to equip them with a solid foundation of skills and knowledge for a future leadership role. Monthly group workshops cover topics ranging from finance and project management through to presentation skills and personal brand development, as well as providing an opportunity for graduates to share learning and experience with their colleagues. The additional support of an experienced internal mentor provides them with invaluable advice and guidance for their career development.

The programme helps dmg media to maintain a rich and diverse pipeline of developing talent with a number of participants from the FY 2015 programme already promoted from their original graduate roles.

In terms of audience, there were 72 million average unique US browsers per month and 3.7 million average daily unique US browsers in the year to September 2015, with average growth during the whole year of 22% and 23% respectively. Rest of World (notably Australia and India) average unique browsers per month and daily unique browsers stood at 78 million and 4.4 million respectively in the year to September 2015, also demonstrating strong growth.

Attracting and developing entrepreneurial talent

Investment in current and future talent continues to fuel dmg media's business growth and transformation plans. There has been targeted investment in senior sales and marketing both in the UK and US. Recruiting to strengthen our customer data and insight capabilities has become a higher priority over the last year. This is set to continue as we look to improve further the value that we bring to our clients and advertisers. Bringing in future talent in the form of graduates and trainees continues across dmg media, including both the editorial and the commercial sides of the business.

As a mark of the strength of our talent, dmg media continues to receive external industry recognition for both editorial excellence and achievement as well as media and advertising campaigns.

Risks

The most significant risks to dmg media are the declining newspaper market and the execution of the MailOnline growth strategy.

As digital media markets have grown, newspaper markets, both advertising and circulation, have declined. This has been caused by technology-driven market disruption leading to changes in consumer habits. The print titles have consistently outperformed the newspaper industry circulation decline, increasing their market share, but the risk of continued structural market changes may lead to an accelerated fall in circulation and advertising revenues.

MailOnline's strategy is to capitalise on its high visitor numbers and the growth in mobile usage, and programmatic and native advertising. This strategy includes geographic expansion and innovative partnerships such as the launch of Truffle Pig which requires investment and carries a degree of uncertainty.

> "**FOCUS ON INCREASING THE SIZE** AND ENGAGEMENT LEVEL OF ITS GLOBAL AUDIENCE."

Other risks to dmg media include the failure of key newspaper industry specific suppliers, cyberattack and data protection breaches.

More information see page 36.

Priorities in the year ahead

The benefits of initiatives such as the MyMail readership loyalty scheme, continued editorial investment and the combined commercial sales operation in the UK, are expected to sustain the Mail brands' strong position in the market. A continued focus on an efficient cost base will help to support profitability and margins. Investment will continue in MailOnline and Elite Daily where the opportunity to generate significant revenues over the long term remains attractive.

Outlook

While the downward pressure on newspaper advertising and circulation is likely to continue, growth in digital revenues is expected to help offset this. Underlying revenues are expected to be stable with operating margins to be broadly in line with the FY 2015 performance of 13%.

Well positioned to drive shareholder value

"**STABLE GROUP PERFORMANCE** DESPITE CHALLENGING MARKET CONDITIONS."

The Financial Review highlights DMGT's performance in the year, which saw growth in underlying revenues and earnings per share in more challenging market conditions.

Financial KPIs

As part of how we measure success against our strategic priorities, we have a number of KPIs that are most relevant to the Group. These are detailed on pages 14 and 15. DMGT and its businesses adopt demanding financial KPIs to ensure that the Group delivers continued good organic growth; remains highly cash generative, with reinvestment of cash flow in organic initiatives and in active portfolio management, and offers real dividend growth.

DMGT aims to deliver sustained long-term profitable growth and understands the importance of reinvesting in the businesses to support product innovation and the effective use of technology. The amount spent on organic investment initiatives in the year was 7% of revenues. DMGT remains committed to increasing the proportion of revenues from digital businesses, from outside the UK and from subscription businesses.

In addition to our financial KPIs, (denoted by ▪▪▪) we constantly measure the metrics supporting our Viability Statement on page 53, where we demonstrate that the Group's financial strength and business performance can withstand a variety of stress tests to reflect varying economic and market conditions.

Business performance

	Revenues#				Operating profit#			
	FY 2015	FY 2014	Growth		FY 2015	FY 2014	Growth	
	£m	£m	Reported	Underlying	£m	£m	Reported	Underlying
RMS	**187**	172	+9%	+1%	**26**	45	(42%)	(46%)
dmg information	**430**	391	+10%	+8%	**75**	68	+10%	+9%
dmg events	**94**	100	(5%)	+16%	**20**	27	(26%)	+28%
Euromoney	**403**	406	(1%)	(2%)	**107**	118	(9%)	(15%)
dmg media	**731**	795	(8%)	(3%)	**96**	95	+1%	+15%
Corporate costs					**(36)**	(42)	(15%)	(15%)
DMGT	**1,845**	**1,864**	(1%)	+1%	**288**	**311**	(7%)	(4%)

From continuing and discontinued operations.

FINANCIAL REVIEW
CONTINUED

FINANCIAL HIGHLIGHTS

Underlying revenue growth
+1%
2014: +5%

Underlying operating profit growth*
-4%
2014: +15%

Adjusted operating margin*
16%
2014: 17%

Adjusted PBT*
-4%
2014: +9%

Adjusted EPS*
+7%
2014: +12%

Dividend
21.4p
2014: 20.4p

Dividend increase
+5%
2014: +6%

Net debt:EBITDA ratio
1.8x
2014: 1.5x

Performance highlights

The strength and stability of DMGT's principal businesses are once again reflected in the financial results for this year. Set against challenging market conditions, and increased investment in RMS, adjusted profit before tax decreased by 4% to £281 million reflecting an underlying decrease of 4% in operating profit, a slight increase in the contribution from joint ventures and associates and a significantly reduced net finance charge. The recommended full-year dividend increased by 5% and we have also completed the £100 million share buy-back programme announced in September 2014. Adjusted earnings per share increased by a pleasing 7%, benefiting from a reduced tax charge as well as share buy-backs. The Financial Review shows the balanced nature of DMGT's portfolio of principal businesses by revenue type, sector and geography and emphasises the diverse nature of DMGT's revenues, with digital operations continuing to contribute to the overall Group performance.

Another key highlight for FY 2015 has been the restructuring of DMGT's longer-term debt funding profile through the redemption of £149 million of bonds in October 2014. Bond debt now constitutes less than half of the debt available to DMGT, which has allowed the Group to reduce its interest costs.

Revenue performance

Group revenues in the financial year increased by 1% on an underlying basis. On a reported basis, revenues declined by 1% reflecting the disposal of Evenbase, the digital recruitment business, and the absence of one of our larger biennial events, Gastech, partly offset by the stronger US dollar versus the British pound over the year. The average exchange rate during the year was £1:$1.54 compared with £1:$1.66 in the prior year.

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

Revenues from B2B businesses, comprising RMS, dmg information, dmg events and Euromoney Institutional Investor (Euromoney), were £1,115 million, an underlying increase of 3%.

RMS grew underlying revenues by 1% to £187 million. Despite the challenging conditions in the reinsurance market, the core modelling business saw continuing demand for its subscription services and overall renewal rates remained in excess of 95%. The focus on creating and continually improving core products and services to its customers has resulted in the successful release of RiskLink15 and two upgraded flagship models in 2015. RMS is working closely with its clients on the evaluation of the first High-Definition model, European Flood, powered by RMS(one), and remains on track to release additional applications for exposure analytics and risk modelling, in stages, during 2016.

dmg information's revenues increased by an underlying 8% to £430 million in the year, with good growth from the energy business, offset by softer conditions in the UK property market. Reported revenue growth was 10% despite the disposal of Lewtan, reflecting the stronger US dollar versus the British pound over the year.

dmg events' revenues of £95 million were up 16% on an underlying basis with the successful transition of the Global Petroleum Show to an annual format. Reported revenues were impacted by the absence during the year of one of the largest revenue events, Gastech.

In this report, underlying revenue or profit* is revenue or profit on a like-for-like basis, adjusted for constant exchange rates, disposals, closures, non-annual events occurring in the current and prior year and acquisitions. For dmg information, underlying growth includes the year-on-year organic growth from acquisitions.
For dmg events, the comparisons are between events held in the year and the same events held the previous time other than the Global Petroleum Show, which became an annual event in June 2015, which is compared to the average of the revenues and profits of the biennial June 2013 Gas & Oil Expo and the biennial June 2014 Global Petroleum Show which it superseded. For Euromoney, acquisitions are completely excluded and comparisons for events are between events held in the year and the same events held the previous time. Euromoney's underlying profit excludes the benefit in FY 2014 of the historic acceleration of its CAP incentive plan charge, excludes the charge in FY 2014 in respect of the accrual for the CAP 2014 scheme and excludes the benefit in FY 2015 of the subsequent release of that accrual. For dmg media, underlying comparisons exclude Villarenters, Metro Play and Evenbase, which were disposed of last year and this year, and exclude distribution services, which ceased last year. dmg media's underlying growth includes the year-on-year organic growth from acquisitions and underlying revenues only include the profit but not the gross-up, equivalent to the cost of sales, from low margin newsprint resale activities. For examples see page 35.

* Unless otherwise stated, all profit and profit margin figures in this Financial Review refer to adjusted results and not statutory results. Adjusted results are stated before exceptional items, other gains and losses, impairment of goodwill and intangible assets, pension finance charges, premiums on bond redemptions and amortisation of intangible assets arising on business combinations. For a reconciliation of Group profit to adjusted Group profit, see pages 34 and 35 and Note 13.

Euromoney's revenues were down 2% on an underlying basis at £403 million, and reported revenues were down 1%, reflecting the strengthening of the US dollar versus the British pound. Trading conditions showed no sign of recovery during the year, particularly the pressures on the fixed income, currency and commodities activities of investment banks, although this was partly offset by reasonable conditions in the asset management sector. The negative trends for events and advertising revenues also impacted results, especially in the second half of the year.

Revenues from the consumer business, dmg media, were £731 million, down 3% on an underlying basis. Growth in the digital businesses, largely MailOnline and Wowcher, only partially offset the impact of declining print advertising and circulation revenues. Reported results were adversely impacted by the disposal of Evenbase during 2014.

The charts below demonstrate DMGT's diverse revenue profile.

Operating profit performance

In the financial year, operating profit of £288 million was down by 4% on an underlying basis and by 7% on a reported basis. The overall operating margin was 16% compared to 17% in the prior year, reflecting reduced margins at RMS and Euromoney, partially offset by margin improvement at dmg media.

The overall profit of the Group's B2B operations decreased by an underlying 12% to £228 million, whilst the profit from consumer media was £96 million, an underlying increase of 15%.

The B2B businesses generated 72% of operating profit and 28% was from consumer media. The profit split includes corporate costs allocated on a revenue basis. Well over half of our profits come from outside the UK.

Joint ventures and associates

DMGT's share of the adjusted operating profit of joint ventures and associates increased 4% to £33 million. The share of operating profits from Zoopla Property Group (ZPG) declined due to DMGT owning a reduced stake of c. 31% in the period, compared with c. 52% for most of last year, ahead of the IPO of the business in June 2014. On 2 December 2015, ZPG released its results, reporting revenues of £108 million and adjusted EBITDA of £49 million for the year. ZPG has continued to perform well and completed the significant acquisition of uSwitch in June 2015. The share of profits from Local World was £17 million, reflecting an improved profit margin. In December 2014, Euromoney acquired a 15.5% stake in Dealogic Holdings plc, consistent with Euromoney's strategy of expanding the scope of its activities in the global financial information and analytics sector. The contribution from other joint ventures and associates was negligible. In November 2015, DMGT disposed of its stake in Local World to Trinity Mirror plc for £73 million.

Financing costs

Adjusted net finance costs, including investment income, decreased by £11 million or 21% to £40 million, benefiting from the redemption of bonds in December 2013 and October 2014. There was negligible investment income in the year.

The pension finance charge, which is excluded from adjusted results, was £7 million for the year compared with £8 million for the prior year.

Exceptional finance costs included a £40 million charge for the premium on the early redemption, in October 2014, of £93 million of 10.0% Bonds, due 2021, and £56 million of 5.75% Bonds, due 2018, reducing bond debt to £420 million.

Results before taxation

Adjusted profit before tax decreased by 4% to £281 million. The statutory pre-tax profit for the financial year was £216 million compared with £267 million in the prior year.

Taxation

The adjusted tax charge of £41 million (2014 £59 million) is stated after adjusting for the effect of exceptional items. The adjusted tax rate declined to 14.8% from 20.1% in 2014, due to the smaller proportion of the Group's profits derived from US businesses and to the benefit of previously unrecognised historic losses. The effective tax rate is expected to increase to around 20% over the next three years as the proportion of US-generated profits increases.

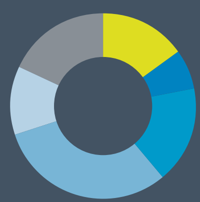
The statutory tax charge for the period, excluding £5 million of tax charges in respect of joint ventures and associates, was £21 million. There were tax credits of £8 million in respect of the amortisation and impairment of intangible fixed assets and tax credits of £15 million in respect of exceptional items, predominantly on the bond buy-back and other restructuring charges.

REVENUE PROFILE

Revenue by business (%)

RMS	10
dmg information	23
dmg events	5
Euromoney	22
dmg media	40

Revenue by type (%)



Print advertising	15
Digital advertising	7
Circulation	17
Subscriptions	31
Events, conferences and training	12
Transactions and other	18

By destination (%)

UK	51
North America	30
Rest of the World	19

FINANCIAL REVIEW
CONTINUED

Profit after tax

Adjusted Group profit after tax and minority interests increased by 4% to £216 million. Statutory post tax profit was £245 million, compared to £283 million in the prior year.

Earnings per share

Adjusted basic earnings per share increased by 7% to 59.7 pence, compared with 55.7 pence in the prior year. The weighted average number of shares in issue during the year was 360.8 million, down from 372.4 million in the previous year, as a result of the share buy-back programmes over the last two years.

Exceptional items and amortisation

Exceptional operating costs were £23 million, compared to £72 million in the prior year and included £20 million of reorganisation, redundancy and consulting costs, primarily incurred at dmg media.

The charge for amortisation of intangible assets arising on business combinations increased by £4 million to £48 million. The Group also made an impairment charge against goodwill and acquired intangible assets of £20 million notably in respect of Euromoney's Mining Indaba, HedgeFund Intelligence and CIE businesses.

The Group recorded other net gains on disposal of businesses and investments of £131 million, compared with a net gain of £179 million in the prior year. The gains related primarily to the disposal of dmg media's digital recruitment business, Jobsite, and the disposals of Capital DATA and Capital NET as part of Euromoney's Dealogic transaction.

Capital allocation

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

Acquisitions and disposals 2015

	Acquisitions	Disposals
dmg information	• Hobsons acquired Starfish Retention Solutions, further strengthening Hobsons' position in the growing US higher education retention market. • Genscape acquired Locus Energy, a leading US-based photovoltaic performance monitoring and data analytics provider, Energy Fundamentals, an analytics provider for the European power market, as well as a controlling stake in Petrotranz. • SiteCompli acquired Empower, a New York based property compliance business. • dmg information acquired minority stakes in Liases Foras and Propstack, both Indian property businesses and Funcent, a Chinese property business.	• dmg information's Lewtan, its financial information business.
dmg events	• dmg events acquired Gulf Glass and GulfSol, two small Middle East events targeting the glass and solar energy markets.	• dmg events' digital marketing division which operates the ad:tech, iMedia and Digital Collective series of B2B events.
Euromoney	• Euromoney acquired a 15.5% stake in Dealogic, a leading provider of data and analytics to the global investment banking sector and a 10% stake in Estimize, a financial estimates platform, further expanding its data and analytics offering.	• As part of the Dealogic transaction, Euromoney disposed of Capital DATA and its interest in Capital NET.
dmg media	• In January 2015, dmg media acquired Elite Daily, the US-based news and entertainment website popular with readers aged 18–34 and it is expected to strengthen MailOnline's offering to US-based advertising buyers due to the increased scale and breadth of audience.	• Jobsite, the final part of the digital recruitment business, Evenbase. • Partial disposal of Wowcher, retaining c.30%.

"OUR FINANCIAL STRENGTH PROVIDES THE FLEXIBILITY TO SUPPORT DMGT'S GROWTH AMBITIONS AS WELL AS INCREASE SHAREHOLDER RETURNS."

MAINTAINING PERFORMANCE OVER THE BUSINESS CYCLE

Board and management undertake over the business cycle to:

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

Cash flow, net debt and M&A

Net debt has increased by £99 million to £702 million, down from £754 million at the half year, reflecting seasonal cash flows.

The Group generated operating cash flow of £259 million, a conversion rate of 90% of operating profits. The conversion rate compared to 78% in the prior year and benefited from the timing of the Gastech event in October 2015. Operating cash flows included exceptional operating items of £20 million and capital expenditure of £61 million, excluding £24 million of expenditure in respect of RMS(one). During the year there were pension funding payments of £48 million, net interest payments of £40 million and £89 million was spent on the DMGT share buy-back programme. Active portfolio management continued throughout the year with acquisitions totalling £123 million and disposals totalling £143 million.

DMGT's net debt structure has significantly altered during the year, following the redemption of £93 million of 10.0% Bonds, due 2021, and £56 million of 5.75% Bonds due 2018. At the end of the financial year the Group had £420 million of bonds with £212 million maturing in December 2018, £10 million maturing in April 2021 and £198 million maturing in June 2027. The Group also held £314 million of other debt and £32 million of cash. At the year end the bank facilities were £585 million, of which £278 million was unutilised. Bond debt now constitutes less than half of the debt available to DMGT.

DMGT's ratio of year-end net debt to adjusted profits before interest, depreciation and amortisation (EBITDA) was 1.8 , below the Group's preferred upper limit of 2.0. DMGT has retained its investment-grade corporate credit rating from Standard & Poor's and remains rated as BBB-.

Pensions

The Group's defined benefit pension schemes provide retirement benefits for UK employees, largely in dmg media. These schemes are closed to new entrants. The deficit in the defined benefit schemes decreased from £212 million at the beginning of the year to £159 million at the financial year end (calculated in accordance with IAS 19 (Revised)).

Funding payments into the main schemes during the year were £48 million. In February 2014, the Group and Trustees agreed a funding plan accruing to the main schemes through to 2026, totalling c.£34 million p.a. to 2020, £28 million p.a. to 2022 and then £23 million p.a. thereafter. In addition, a contribution equal to 20% of any share buy-backs will be contributed to the schemes, albeit this will be offset by up to £5 million of agreed funding contributions each year. Contributions will be discontinued should the schemes' actuary agree the schemes are no longer in deficit. The next formal actuarial valuation is scheduled for 31 March 2016.

There has been no significant change in the allocation of the schemes' investments, broadly 75% risk-seeking and 25% non risk-seeking. All new UK employees are now offered defined contribution pension plans.

Share buy-back

The Board of DMGT remains confident in the overall outlook for the Group and believes that the creation of shareholder value over the long term requires a balanced and flexible approach to investing in growth and returning excess capital to shareholders whilst maintaining a strong balance sheet. Balanced against continued organic investment, the Group continues to look for attractive acquisitions while maintaining a policy of growing dividends in real terms over the economic cycle. A new ongoing rolling share buy-back programme was announced on 25 November 2015. The size, frequency and number of purchases will depend on the portfolio management of the Group, including anticipated acquisition and disposal activity, and maintaining the preferred gearing ratio.

Dividends

The Board aims to deliver sustained dividend growth in real terms. The recommended final dividend is 14.9 pence which, if approved, would make the total dividend for the year 21.4 pence, an increase of 5% on the prior year.

Adjusted results

When reviewing DMGT's performance, the Board and management team particularly focus on adjusted results rather than statutory results. There are a number of items that are included in statutory results but which are considered to be one-off in nature or not representative of the business's performance and which are excluded from adjusted results.

Note 13 on page 120 shows the full list of adjustments between statutory and adjusted results. The table below shows a summarised version of the reconciliation from statutory profit before tax to adjusted profit before tax.

The explanation for each adjustment is as follows:

1) The adjusted results include the pre-disposal results of discontinued operations, such as dmg media's digital recruitment business, Evenbase, whereas statutory results only include continuing operations.

2) The Group makes gains or losses when disposing of businesses, for example when shares in Zoopla Property Group were sold at IPO. These one-off items are excluded from adjusted results as they reflect the value created since the business was formed or acquired rather than the operating performance of the business during the year.

3) Businesses occasionally incur exceptional costs in respect of a reorganisation. These are non-recurring in nature and are excluded from adjusted results.

4) Occasionally the carrying value of an asset in the balance sheet is considered too high and it is appropriate to impair it, as was the case with the RMS(one) product in FY 2014. The associated one-off charge is excluded from adjusted results. The ongoing depreciation and amortisation of tangible assets and software, including products, is, however, an everyday cost of doing business and is included in both statutory and adjusted results.

5) When acquiring businesses, the premium paid relative to the net assets on the balance sheet of the acquired business is classified as either goodwill or as an intangible asset arising on a business combination and is recognised on DMGT's balance sheet. This differs to organically developed businesses where assets such as employee talent and customer relationships are not recognised on the balance sheet. Impairment and amortisation of intangible assets and goodwill arising on acquisitions are excluded from adjusted results as they relate to historic M&A activity rather than the trading performance of the business.

> **"THE STRENGTH AND STABILITY OF DMGT'S PRINCIPAL BUSINESSES** WERE ONCE AGAIN DEMONSTRATED IN FY 2015."

£ million	FY 2015	FY 2014	Explanation
Statutory profit before tax – continuing operations	**216**	**267**	
Include operating profit from discontinued operations	**1**	15	1
Exclude profit on sale of assets	**(82)**	(139)	2
Exclude exceptional reorganisation, redundancy and consultancy costs	**20**	27	3
Exclude impairment and accelerated depreciation of internally generated software and plant	**2**	47	4
Exclude amortisation and impairment of goodwill and intangible assets arising on business combinations	**68**	47	5
Exclude premium on bond redemptions	**40**	24	6
Exclude financing charge on defined benefit pension schemes	**7**	8	7
Exclude dividend from Press Association resulting from business disposal	**(3)**	(9)	8
Other adjustments	**12**	4	9
Adjusted profit before tax	**281**	**291**	

6) The Group's debt includes bonds issued by DMGT in the past, when interest rates were at higher levels than currently. DMGT pays interest on the bonds and the cost is included in both statutory and adjusted results. In December 2013 and October 2014, however, DMGT bought back bonds before their due date and, given the relatively high coupon rates on the bonds, relative to current market rates, paid a premium to do so. The buy-back premium, which is different to the cost of servicing the debt and is a one-off expense, is excluded from adjusted results.

7) The finance charge on defined benefit schemes is a formulaic calculation that does not necessarily reflect the underlying economics associated with the relevant pension assets and liabilities. It is effectively a notional charge and is excluded from adjusted results.

8) In FY 2014 and FY 2015, the Press Association paid DMGT significantly larger dividends than usual due to proceeds from its disposal of MeteoGroup. The larger dividends resulted from disposals rather than operating activities and, similar to a gain made by DMGT when disposing of a business, were excluded from adjusted results.

9) Other items that are excluded from adjusted results include the share of exceptional costs of joint ventures and associates, changes in the fair value of certain financial instruments and changes to future acquisition payments. They are considered one-off in nature and not reflective of the ongoing cost of doing business.

Underlying growth

When assessing the performance of the different businesses, the Board considers the adjusted results. The year-on-year change in adjusted results may not, however, be a fair like-for-like comparison as there are a number of factors which can influence growth rates but which do not reflect underlying performance.

When calculating underlying growth, adjustments are made to give a like-for-like comparison. For example, the adjusted results in FY 2015 benefited from the strengthening of the US dollar relative to the British pound. To calculate underlying growth, the prior year comparatives are restated using the FY 2015 exchange rates.

Similarly, adjustments are made to completely exclude disposals from both years. When businesses are acquired, the prior year comparatives are adjusted to include the acquisition or, in the case of Euromoney, the acquisition is completely excluded from both years.

The timing of events can also be a distortion. Gastech, a major event, took place in FY 2014 but not in FY 2015. To give a fair like-for-like comparison when calculating underlying growth, the FY 2014 comparative is amended to exclude the revenues and profits from Gastech.

In FY 2015, DMGT's adjusted revenues declined by 1% on a reported basis and, similarly, the adjusted operating profit declined by 7%. The growth rates were adversely impacted by the disposal of Evenbase in 2014 and the absence of Gastech from FY 2015. After adjusting for these factors as well as others, such as exchange rates and disposals, the underlying growth rates were a 1% increase in revenues and a 4% decline in adjusted operating profit.

Summary

The strength and stability of DMGT's principal businesses were once again demonstrated in FY 2015 with a stable Group performance despite volatile market conditions. The performance in FY 2015 has been adversely impacted by investment in RMS(one), the timing of events, the disposal of Evenbase and the challenging market conditions facing Euromoney. As the year progressed, our performance was further hindered by weakness in the UK print advertising market and a deterioration in Euromoney's performance. We remain focused on delivering our consistent strategy and are confident that our balanced portfolio, in combination with a strong balance sheet, will deliver medium to long-term growth and support our longer-term financial objectives.

Stephen Daintith
Finance Director

Actively monitoring and managing our risks

OUR STRATEGIC PRIORITIES

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

Strategic risks

Description	Impact and likelihood
Market disruption Caused by: • changes in consumer behaviours and client demands; • technological developments; • availability of free information; • emergence of competitors; and • convergence of key markets or clients. Failure to respond to market disruption may affect the long-term viability of some principal businesses in the Group.	• The risk of market disruption is most significant in the newspaper and other publishing businesses. Accelerated decline in circulation and migration of advertising revenue away from print media is driven by changes in consumer behaviours and results in declining print revenue. • Technological developments can influence consumer behaviours and may increase competition or make some of the Group's products less relevant. • Market disruption creates opportunities as well as risks. This enables us to move into new markets and geographies to grow the business. • The pace of change across all our markets has accelerated in recent years. DMGT's principal businesses are likely to face disruption to their markets every year, however, a major market disruption that would impact the Group is only expected to occur every five to 10 years.
Acquisitions and disposals • Failure to identify appropriate acquisition and investment targets to strengthen the Group portfolio. • Acquisitions and investments fail to yield expected benefits such as revenue growth or cost savings. • Failure to divest from non-core businesses at the right time.	• Growth opportunities and potential synergies lost through failure to identify acquisition and investment targets. • Failed investments may lead to reduced return on capital and/or impairment losses. • Underperforming acquisitions and investments could result in a diversion of management time. • Optimal value may not be achieved from divestments. • The Group completes multiple small acquisitions and investments every year; some may not perform as expected. Larger acquisitions are rarer.
Internal investment • Failure to successfully invest in products and services to meet client demands and drive organic growth. • Failure to successfully innovate and generate ideas for organic growth. • Internal investments do not yield expected benefits. In particular, the successful execution of MailOnline's growth strategy, Euromoney's online strategy and investment in Xceligent are key to the Group. • Uncertainty as a result of geographic expansion into new and emerging markets.	• Lack of innovation may compromise the competitiveness of our products and services. • Failed investments may lead to reduced return on capital and/or impairment losses. • Geographic expansion presents significant opportunities as well as risks. Risks may include unexpected costs or logistical and management challenges due to differing business cultures or local legal and regulatory requirements. • The Group is continually investing in our products and services and each year some innovations will not deliver the anticipated growth, however, close management of larger investments significantly reduces the risk of failure.
New product launches • Failure of a significant new product launch or development to achieve customer acceptance and yield expected benefits. • Our Group businesses are continually developing and launching new products and services, and enhancing existing offerings. The most significant development is RMS(one) which is on track to be released in stages from early FY 2016.	• New products that do not achieve sales projections may negatively impact the results of the Group and could result in impairment losses. • The reputation of the business could be damaged by the launch of poor products. • The Group is continually developing existing products and launching new products. It is likely that some will not perform as expected, however, major investments are rarer.
Securing and retaining talent • Failure to secure and retain the right people for senior and business critical roles. The skills of particular priority are: – leadership; – entrepreneurship; and – technology and software development. • Failure to develop successors for senior and business critical roles.	• Failure to secure and retain talented people for senior and business critical roles could impact the ability of businesses in the Group to maintain performance and deliver growth. • When key employees leave or retire, knowledge, experience or competitive advantage may be lost if succession plans are inadequate. • At any one time the Group has unfilled vacancies for key roles, however, only a small number of roles are deemed to be business critical. A significant impact from loss of key talent would therefore rarely occur.

The DMGT Risk Committee completed a robust and detailed assessment of the Group's risk management processes and the Group Risk Register.

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 principal businesses.

Further details of the Group's risk management process, the governance structure surrounding risk and the Risk Committee can be found in the Governance Report on page 46.

Mitigation	Change in the risk in FY 2015	Strategic priority
• The Group's diverse portfolio of businesses and products reduces the overall Group impact. • Our devolved structure means our businesses are close to their markets and can pre-empt and react to disruption in their markets. • The Board regularly reviews the strategy against market developments. • DMGT executive membership of operating business boards. • The Leadership Team monitors markets, the competitive landscape and technological developments. • Regular analysis of business performance through financial results, KPIs and milestones to highlight early indications of market disruption.	→ This risk in our diversified Group has remained relatively stable during FY 2015. Disruption to the newspaper businesses continues at a stable pace. We have not identified any major disruptions to our other markets.	
• Our investment preferences and criteria are clearly articulated and investments are approved by the Investment and Finance Committee. • Regular analysis of business performance through financial results, KPIs and milestones. • Investment and Finance Committee review post-acquisition performance. • Performance of detailed due diligence. • Retention of key management in the acquired businesses. • Implementation of DMGT Essentials post-acquisition. • Divestments overseen by the Board and the Strategy Development Director.	→ The risk is unchanged in FY 2015 as the rate and nature of acquisitions and investments is consistent with the prior year.	
• The autonomous culture of the Group encourages an entrepreneurial approach to the development of organic growth opportunities and new products. • Investments are approved by the Investment and Finance Committee. • Management of projects by the executive team and oversight from the centre. • Regular analysis of business performance through financial results, KPIs and milestones. • Senior management from across the Group attended a two-day workshop focused on strategy, innovation and product development.	↑ The risk has increased over FY 2015 as a result of the continued investment in MailOnline and Xceligent's growth strategies.	
• Our devolved structure means our businesses are close to their markets and have a deep understanding of their customers' needs. • With RMS(one) in particular, the business has consulted with clients and presented the product during its development to optimise adoption. • Regular analysis of business performance through financial results, KPIs and milestones. • Board or specific oversight committee monitoring for significant product investments. • DMGT executive membership of operating business boards. • Series of product management workshops run by the HR Director for senior management across the Group completed in FY 2015 and scheduled for FY 2016.	→ The risk has stabilised over FY 2015 due to work performed by RMS to develop RMS(one) prior to being released in stages from early FY 2016.	
• Formal approach to talent management and succession management, coordinated centrally by DMGT. • Executive management involved in the recruitment of all leadership roles. • Investment in DMGT Leadership Development Programme and related programmes. • Payment of competitive rewards. • Alignment of employee incentives and Group strategy. • Employee performance and turnover monitoring. • Succession and retention planning. • Employee communication.	→ This risk has remained stable over FY 2015.	

Operational risks

Description	Impact and likelihood
Major change projects • Failure or significant delay in the delivery of a major change project. • Failure to effectively communicate significant delays in the delivery of major change projects to the market. • Businesses in the Group undertake change projects throughout the year. The most significant project is the development of RMS(one) now on track to be released in stages from early FY 2016.	• Increased costs, impairment losses and delayed or lower revenues can result from the failure or delay of a major project. This risk has been emphasised through the delay of RMS(one). • Failure or significant delay in the delivery of a major change project, or the failure to effectively communicate to the market could damage the reputation of the business and impact on DMGT's share price.
Information security breach or cyberattack • Loss of confidential, personal or payment card information. • Integrity of online products and data compromised. • Unavailability of online products.	• An information security breach would cause reputational damage with a resultant loss of revenue. • A breach of data protection legislation could result in financial penalties to the business affected and potentially the Group. • The investigation and management of the incident would result in the diversion of management time. • The risk is relevant to all businesses in the Group, in particular Hobsons, MailOnline, RMS and Euromoney. • Attacks on Group websites and networks are frequent though rarely successful.
Reliance on key third parties Certain third parties are critical to the operations of DMGT businesses. Key third parties include: • data centre and cloud software and service providers; • IT development support, most significantly for RMS(one); • newsprint, flexographic plate and ink suppliers; • newspaper distribution and wholesale; • data providers; and • event venues. A failure of one of our critical third parties may cause disruption to business operations.	• An operational or financial failure of a key supplier could affect the ability of DMGT businesses to deliver products, services or events with a direct impact on revenue and/or costs and management time. • The reputation of the business may be damaged by the poor performance or failure of some third parties, particularly outsourced service providers. • While there are a number of key third parties across the Group, a significant impact from the loss of a key third party would rarely occur.
Compliance with laws and regulations • The Group operates across multiple jurisdictions. Increasing regulation, especially in the areas of data privacy and security, increases the risk that the Group is not compliant with all applicable laws and regulations across all of the jurisdictions in which it operates. • A number of DMGT businesses provide valuable proprietary information. A change in regulations over the provisions of this information could impact the existing business models. • Particular areas of focus for DMGT businesses are: – data protection, including the impending new EU Data Privacy Regulation; – market influencing products, particularly affecting Metal Bulletin and Genscape; – libel legislation; – entering regulated markets or sectors; and – trade sanctions.	• The reputation of the business may be damaged by non-compliance. • Non-compliance could result in financial penalties to the business affected and potentially the Group. • Increasing regulation results in increasing costs of compliance. • The potential for certain trade sanctions to be lifted also presents opportunities for our businesses, in particular dmg events and the events, conferences and seminar businesses in Euromoney. • The availability of free information, driven by potential changes in legislation, could dilute the value of some offerings, particularly in some of the dmg information businesses.
Pension scheme deficit • The UK newspaper business and DMGT head office operates defined benefit pension schemes. • Deficits in the schemes are ultimately funded by the sponsoring company. • Pension Fund Trustees control the investment allocation.	• Statutory earnings may be affected by funding requirements that result from pension deficits as a result of lower than expected investment returns or changes made to the risk profile of our investment portfolio. • Next triennial valuation will be undertaken in 2016 after which a new funding plan will be agreed between the Company and Trustee.

Changes in economic risks

The risks on economic downturn and US dollar weakening disclosed in FY 2014 continue to be tracked on the Group's risk register, but have not been disclosed this year as they are not considered principal risks to the Group in FY 2015.

Mitigation	Change in the risk in FY 2015	Divisions most affected
• Rigorous project planning procedures and ongoing project management. • Board or specific oversight committee monitoring for significant change projects, in particular, RMS(one). • DMGT executive membership of operating business boards. • Regular risk reporting to the Risk Committee for significant change projects. • Independent project assurance assessments for significant change projects.	↓ This risk has declined over FY 2015 as RMS has focused on the re-architecture of RMS(one) software and a redesign of the platform to meet client requirements.	RMS
• Group information security policy and detailed security standards. Regular reviews against standards by Risk & Assurance. • Group policy on business continuity planning including IT system disaster recovery. • Oversight by the Risk Committee and Chief Technical Officer (CTO) Council. • Oversight by operating business board at high-risk businesses. • Information security is reviewed as part of every internal audit.	↑ This risk has increased over FY 2015 as the inherent threat of an information security breach or cyberattack continues to increase. This is partially offset by improving security controls.	All
• Operational and financial due diligence is undertaken for key suppliers on an ongoing basis. • Close management of key supplier relationships including contracts, service levels and outputs. • Contingency arrangements in place for some key suppliers. • Dedicated newsprint-buying team. • CTO Council consider key IT third parties.	→ This risk has remained relatively stable during FY 2015.	RMS dmg media
• Developments in the legal and regulatory landscape reviewed by the Risk Committee. • Implementation and monitoring of Group-wide policies to address new legislation and regulation where applicable. • Group-wide Governance, Risk and Compliance Network.	→ This risk has remained relatively stable over FY 2015, primarily because the EU Data Privacy Regulation has yet to be finalised.	All
• The agreed funding plan gives certainty over the financial commitment until FY 2016. • Monitoring and management of pension risks performed by Pension Sub-Committee.	→ This risk has remained relatively stable during FY 2015.	DMGT dmg media

The secret of our success is our people. They power our businesses to attain our goals and in return we support them to achieve theirs. DMGT attracts entrepreneurs renowned in their industries for growing businesses. Ours is a culture where talented people can prosper.

Peter Duffy
HR Director

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Number of people who have attended the DMGT Leadership Development Programme to FY 2015.

Overview

At DMGT there is a mutual expectation that individuals flourish with the Company. We want people who are driven and who have a capacity and curiosity to learn. We provide meaningful and interesting work. We give people the opportunity to grow and develop through their own endeavours.

Our businesses employ a wide variety of practices to equip employees with skills to support experiential learning. At Group level significant emphasis is placed on leadership coaching and management training.

Employment proposition

This year we carried out a piece of work with our employees to establish our employment proposition. It sets out our relationship with our people and outlines the unique environment where they can utilise their skills, capabilities and experience. We have established three key benefit areas:

- the opportunity that being part of a diverse international Group offers in terms of personal development;
- the passion of our leaders and the impact this has on culture; and
- the strength and stability of being part of a business with a long heritage and successful track record that trusts its businesses to make the right decisions.

Intrinsic to this is our relationship with our communities and how our people play their role in this. See Corporate Responsibility Review for further information.

Freedom within a framework

At the heart of how we operate is our decentralised structure. We believe that our businesses are closest to their customers and are best placed to make the right decisions.

This autonomy relies on an ethos of trust. Establishing and maintaining this trust rests on clearly articulated values, practices and processes. These are underpinned by our five guiding principles:

- lawful, moral and ethical approach;
- control and accountability;
- transparency and openness;
- championing our people; and
- focused on quality.

This year we ensured that everyone in the Group has access to these guiding principles through launching DMGT Essentials, a guide that sets out the standards and processes to be followed. We reinforce these messages through our communications channels.

ENTREPRENEURS AT DMGT

Doug Curry, CEO of Xceligent (part of dmg information) was attracted to DMGT because:

"The strength of DMGT's long-term perspective and the character of their leaders create a unique environment allowing entrepreneurs to achieve their highest goals and vision for their companies. We built Xceligent to be an industry leader in its sector. The unwavering support of DMGT for our growth and pursuit of excellence make it an incredible home for our company."

Cross-Group development

- Leadership Development Programme (LDP): this is a comprehensive programme developed and delivered in partnership with the University of Cambridge. It allows the sharing of insights in critical leadership areas such as markets and competitive landscapes and advances in technology. There is particular emphasis on the development of coaching skills to develop high-performance teams.
- Finance Conference: this is an annual conference where finance professionals from each Group business come together. In 2015 the conference had two overarching themes: technology and talent.
- Governance, Risk and Compliance (GRC) Offsite: this is an annual offsite where governance, risk and compliance professionals from each Group business come together. In 2015 the offsite explored how by having a better understanding of our approach to, and appetite for risk, we can accelerate our strategy, and help drive innovation and growth.
- UCB Executive Technology Programme: an Innovation Workshop held at the University College Berkeley (UCB), with DMGT executives predominantly from the B2B companies as well as members of the DMGT Board. The themes covered included internal innovation models (for sustainable, adjacent and disruptive innovation), technology as an enabler, tech debt, key roles and cultural factors, e.g. incentives and leadership behaviours.

Keeping our people informed

One of the challenges of our decentralised management approach is ensuring we can still communicate with our people.

We have a range of Group communications channels including:

- our Group intranet;
- a regular blog from Martin Morgan CEO; and
- DMGT Daily, our daily email news bulletin.

Our leaders

Our decentralised approach also requires excellent business and functional leaders. DMGT leaders throughout the Group have contributed to a document called the Pillars of Performance. This captures what DMGT collectively regards as essential leadership attributes, capabilities and mind-sets. These factors differentiate successful leaders from the norm and help guide their development.

Each operating business carries out an annual talent review where we consider capabilities and capacity that our teams will require to deliver long-term growth plans. Implicit within this is emergency cover and succession options for each leadership position. There is also an annual discussion about team development.

Our future leaders

As well as focusing on leaders in the DMGT Group we are committed to developing those at an early stage in their career. Through the establishment of a programme to identify and support future leaders at the operating companies, we are looking to help those who need guidance to plan their development and self-awareness.

Personal development

At DMGT our people benefit from the latest thinking and are able to shape their careers through the opportunities that come with being part of a diverse Group of businesses with a 120-year heritage.

We understand that to deliver and sustain the levels of performance we expect, we need to develop our employees and also provide them with the opportunities to grow and fulfil their potential.

Strategic Ambitions see page 11.

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

Group policies

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

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

Gender breakdown of our employees

	Men		Women	
	FY 2015	FY 2014	FY 2015	FY 2014
Number of Board Directors	**13**	13	**2**	2
Number of senior executives (excluding Board Directors)	**73**	43	**13**	11
Number of Directors of subsidiary companies	**153**	144*	**22**	20*
Number of employees (excluding Executive Board Directors, senior executives and Directors of subsidiary companies)	**5,551**	5,328	**4,354**	4,083
Total	**5,790**	5,528	**4,391**	4,116
Percentage of total employees	**57%**	57%	**43%**	43%

* These numbers have been restated.

DMGT is committed to sustainable, long-term performance. Managing our businesses and brands responsibly, valuing our stakeholders and respecting the communities we serve and our environment are essential for our success.

Claire Chapman
Corporate Responsibility Committee Chairman

We apply DMGT's Company values to our Corporate Responsibility (CR) activities and consider these in the decisions we make. We support, encourage and monitor these activities ensuring best practice is championed and shared.

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

CR Committee

Our commitment to CR is led by the Board. Day-to-day management is delegated to the CR Committee, which defines and implements our CR agenda and activities. How the Committee operates is outlined in the Corporate Governance section on page 46. Each operating business is represented on the Committee. This enables us to evaluate risk exposure, monitor progress, share best practice and provide guidance across the Group.

CR Champions network

The CR Committee is supported by the CR Champions network. Further information on the Network can be found on page 43.

Our approach

We focus on three areas in our approach to CR: our people (which is detailed on page 40); our stakeholders; and the environment.

DMGT has a unique opportunity as a portfolio business. We have hundreds of touchpoints in the communities in which we operate. In keeping with our decentralised approach, a conscious decision has been made to keep involvement in how our businesses support their own communities light touch.

We have a dedicated CR programme, the majority of DMGT's time and resource is spent supporting the CR programmes of our businesses. We do this through a number of campaigns and initiatives that run throughout the year. These include:

- matched funding: DMGT businesses nominate a key charity with which they have a relationship to be considered for matched funding. The charities are evaluated by a set of principles which can be found at www.dmgt.com and funds are allocated accordingly;
- Community Champions Awards, see below; and
- Green Week, see page 43.

Our stakeholders

A deliberate part of our CR philosophy is that our businesses should play a role in their local communities and have a direct and immediate impact.

COMMUNITY CHAMPIONS AWARDS

In 2015 we continued the Community Champions Awards, recognising and rewarding the good deeds of DMGT employees.

Over 130 nominations were received. The best Green Week activity award was voted for by employees. We received over 600 votes.

The scheme is detailed at www.dmgt.com/cr.

Videos of the Awards ceremonies can be found at www.youtube.com/user/dmgtplc.

CR aims

The table below summarises the CR Committee's key activities in FY 2015 in the areas we focus on. It shows the aims we set ourselves at the beginning of the year and how we have delivered against these. The table also details DMGT's CR aims for the year ahead and how we will measure success in these areas.

	Environment		Our stakeholders		Our people	
	Aim	Result	Aim	Result	Aim	Result
2015	Greater promotion and participation in CCA Green Award, to drive environmental awareness across the Group. CO_2 target set in 2012 to be reached in 2015.	Green Award for CCAs chosen from Green Week activities. Targeted communications and recognition of exemplary Green performance and initiatives. 10% reduction in CO_2 from 2012 levels reached.	Increased transparency of CR activities on DMGT corporate website ensuring each business is fully represented.	Clear and transparent CR section of website that represents all the CR activities taking place Group-wide.	Greater visibility (internal and external) of CR Champions network and its achievements, to reinforce CR behaviours and messages.	Greater visibility of CR Champions and their role at business level. Specific recognition as a talent development opportunity.
	Aim	Success factor	Aim	Success factor	Aim	Success factor
2016	**To raise environmental awareness amongst employees.** To develop DMGT Green Week from an annual week-long activity into a calendar of events which encourage DMGT employees to be aware of their impact on the environment.	A rolling schedule of Green initiatives that have been carried out by the businesses and are highlighted internally and externally.	**To support the charity work of our employees.** Greater visibility (internal and external) of charitable activity by employees. By further uncovering the wealth of activities with which DMGT employees engage, we can measure and improve on the impact these have in future.	News flow of activities in which DMGT employees are involved including CR blog at least six times per annum and bi-monthly updates to CR websites.	**To highlight the CR activities our employees engaged with.** To showcase CR related people news in our internal daily newsletter to highlight their achievements.	A library of regular 'Our People' stories including CR stories on DMGT Daily at least once per month.

CR CHAMPIONS

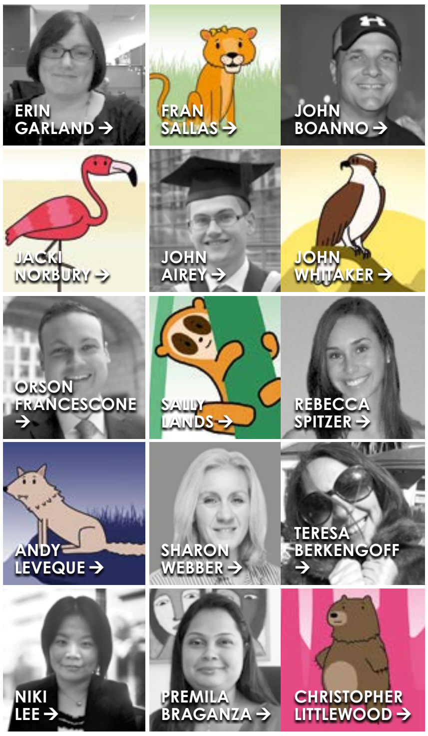
A network of nearly 30 individuals, our CR Champions, represent each and every one of our businesses and meet by video call each quarter to discuss CR at a grassroots level.

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

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

Each CR Champion has chosen an animal cartoon character. We introduced this as a mechanism for the DMGT Polar Bear character to interview them in our CR Champions video.

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



GREEN WEEK

For its second year, DMGT and its businesses shared a week of activities that encouraged employees to be more environmentally conscious.

This year the initiative focused on recycling and was also designed to help with DMGT's public commitment to reduce its carbon footprint by 10% by September 2015. There will be a Community Champions Award for the best engagement with Green Week by a business.

Full details about the initiative can be found at www.dmgt.com/cr.

Charitable donations

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

Environment

Our most significant environmental impact comes from the printing plants in our consumer media businesses. The majority of our newspapers are now produced at plants designed to be as efficient as possible; this reduces energy usage, vehicle movements and the volume of waste generated. There is also a considerable effort to maximise the volume of waste recycled including newsprint waste, water and heat recovery.

We are, and have for many years been, committed to comprehensive and transparent reporting of our environmental performance. We have collected CO_2 emissions data from each of our businesses. This data is collated and independently reviewed by the environmental consultancy, ICF International, which calculates our emissions following the Greenhouse Gas Protocol. The Group's carbon footprint can be seen in the table below. In FY 2012 DMGT set a target to reduce the Group's emissions per £ of revenue over a three year period by 10%. We have exceeded this target with a total reduction in emissions per £ of revenue over the three year period of 27%.

Carbon footprint

The table below shows the evolution of our carbon footprint since 2012:

	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 & 3 emissions/revenue
2012	11,400	36,600	24,900	41.7
2013	11,000	32,400	26,800	40.1
2014	8,100	29,700	26,600	34.6
2015	6,300	27,000	22,400	30.3

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

By order of the Board

Stephen Daintith
Finance Director

BOARD OF DIRECTORS

The Viscount Rothermere
Chairman
Appointed to the Board: 1995
Appointed Chairman: 1998

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

M W H Morgan
Chief Executive
Appointed to the Board and Chief Executive: 2008

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

S W Daintith
Finance Director
Appointed to the Board and Finance Director: 2011

Skills and experience:
Stephen Daintith provides significant expertise in finance gained through a number of roles. He was COO and CFO of Dow Jones and previously CFO at News International. He held several CEO and CFO positions at British American Tobacco. Stephen is a chartered accountant.
Committee membership:
Corporate Responsibility, Investment and Finance, Risk.
Other appointments:
Euromoney Institutional Investor PLC Audit Committee, RMS and Zoopla Property Group Plc.

K J Beatty
Executive Director
Appointed to the Board: 2004

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

J G Hemingway
Non-Executive Director
Appointed to the Board: 1978

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

Lady Keswick
Independent Non-Executive Director
Appointed to the Board: 2013

Skills and experience:
Lady Keswick's extensive career is based in public policy and international affairs, particularly in Asia. She is Deputy Chairman of the Centre of Policy Studies and was a Special Policy Adviser to the Rt. Hon. Kenneth Clarke QC MP, working at the Departments for Health and Education and Science and the Home Office and HM Treasury. She previously worked in advertising and journalism. In September 2013, Lady Keswick was elected as Chancellor of the University of Buckingham.

A H Lane
Non-Executive Director
Appointed to the Board: 2013

Skills and experience:
Andrew Lane brings a range of experience of dealing in complex legal and regulatory matters. He is a partner at Forsters LLP and specialises in private client law.
Committee membership:
Investment and Finance, Risk.
Other appointments:
A Trustee of the Pension Fund of the Royal Agricultural Society of England.

D H Nelson
Non-Executive Director
Appointed to the Board: 2009

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

P M Dacre
Executive Director
Appointed to the Board: 1998

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

D M M Dutton
Executive Director
Appointed to the Board: 1997

Skills and experience:
David Dutton has a wealth of commercial experience. He founded Pizzaland in 1970. He was a founder and Managing Director of Trevian Holdings Plc, a property development company.
Committee membership:
Corporate Responsibility, Investment and Finance, Risk.
Other appointments:
dmg information, Hobsons, dmgi Land & Property Europe, RMS, Zoopla Property Group Plc.

F P Balsemão
Independent Non-Executive Director (Portuguese)
Appointed to the Board: 2002

Skills and experience:
Francisco Balsemão provides the Board with insight into international relations, gained through his career as Prime Minister of Portugal and elected member of the State Council. He serves as Chairman of the European Publishers Council and sits on the International Advisory Board of Santander International Group.
Committee membership:
Nominations.
Other appointments:
Impresa Group and IMPRESA, SGPS.

N W Berry
Independent Non-Executive Director
Appointed to the Board: 2007

Skills and experience:
Nicholas Berry's global commercial, B2B media ownership and emerging markets experience is of significant value to the Board. He is owner of Mintel International, Intersport Switzerland Psc and Chairman of Stancroft Trust.
Committee membership:
Audit, Investment and Finance, Nominations, Remuneration.

K A H Parry
Independent Non-Executive Director
Appointed to the Board: 2014

Skills and experience:
Kevin Parry is a chartered accountant who brings a broad range of experience and skills to the Board. He serves on a number of listed company boards and has previously been a Non-Executive Director of Schroders plc and Knight Frank LLP. He has extensive experience chairing Schroders audit and risk committees and being a member of its remuneration and nominations committees. He was Group Chief Executive of Management Consulting Group PLC and the managing partner of KPMG's information, communications and entertainment practice in London.
Committee membership:
Audit and Risk.
Other appointments:
Intermediate Capital Group plc, Standard Life plc, Royal National Children's Foundation and Homes and Communities Agency.

H J Roizen
Independent Non-Executive Director (American)
Appointed to the Board: 2012

Skills and experience:
Heidi Roizen provides the Board with experience in digital media, entrepreneurial growth and business development in both public and private companies in the US. She teaches entrepreneurship at Stanford University. Heidi was Vice President of Worldwide Developer Relations for Apple Computers, as well as being CEO and co-founder of pioneering consumer software company T Maker.
Committee membership:
Remuneration.
Other appointments:
TiVo Inc, DFJ and MailOnline.

D Trempont
Independent Non-Executive Director (American)
Appointed to the Board: 2011

Skills and experience:
Dominique Trempont brings experience as an executive and board member in large multinational high-tech companies and start-ups. He has extensive knowledge of online solutions. He is currently on the boards of three US public companies, focusing on disruptive technologies, emerging markets and Asia.
Committee membership: Audit.
Other appointments: On24, Trion Worlds and RMS.

C Chapman
General Counsel & Company Secretary
Claire Chapman acts as Secretary to the Board, Audit Committee, Investment and Finance Committee and Nominations Committee. Claire is Chair of the Corporate Responsibility Committee and is a member of the Risk Committee. Claire is a qualified solicitor, England and Wales and Attorney, New York.

CHAIRMAN'S STATEMENT ON GOVERNANCE

The Viscount Rothermere
Chairman

In this section:

"**STRONG GOVERNANCE IS A KEY FACTOR IN OUR ABILITY TO ACHIEVE GROWTH** IN A PROFITABLE, RESPONSIBLE AND SUSTAINABLE MANNER AND MAXIMISE SHAREHOLDER VALUE OVER THE LONG TERM."

Chairman's statement on governance

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

DMGT's approach to governance is distinctive, as we are able to additionally rely on and utilise the significant benefits from the family shareholding and the long-term view that this permits.

During FY 2015, strategy has remained a core topic of our Board discussions. Areas of particular focus include our approach to our portfolio of businesses and their continued growth, as well as divestments, rigorous financial management, balanced capital allocation and managing a strong balance sheet. Additionally the Board has focused on our people agenda and leadership capabilities.

We have continued to draw on the expertise of individual Board members to the benefit of our operating businesses.

Family shareholding

RCL is a holding company incorporated in Bermuda. The main asset of RCL is its holding of DMGT Ordinary Shares. RCL is owned by a trust (Trust) which is held for the benefit of myself and my immediate family. Both RCL and the Trust are administered in Jersey, in the Channel Islands. The directors of RCL, of which there are seven, include two directors of DMGT, during the reporting period (see page 49) namely myself and John Hemingway.

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

GOVERNANCE

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

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

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

Details of how we have applied the standards of corporate governance throughout the year are set out in the remainder of this Report. Details of our Board members are set out on pages 44 and 45, including membership details of each of our Board Committees.

AGM

The holders of Ordinary Shares are entitled to attend and vote at the AGM on 10 February 2016. The resolutions are summarised on page 83.

The Viscount Rothermere
Chairman

THE BOARD'S FOCUS IN 2015

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

Strategy and performance

- Board strategy review session held in July;
- updates at each Board meeting;
- visits to Euromoney in London and MailOnline in New York;
- presentations by Euromoney and its key operations including: BCA, Institutional Investor, Metal Bulletin; and
- presentations by dmg events, Landmark and MailOnline.

Finance and capital

- assessed and monitored on a regular basis, performance against agreed financial targets, budget and returns on investment;
- reviewed and approved the Company's share buy-back programme and bond repurchases;
- approved the Company's investment criteria; and
- assessed and monitored approach to pension and tax policy, as members of Pensions and Tax Sub-Committees respectively.

Risk management

- discussed the Group's risk appetite for 2015; and
- with the support of the Risk and Audit Committees, reviewed principal risks, other key risk topics and performance against risk appetite.

Governance

- regular updates including the Group's Share Dealing Policy, updates to the UK Corporate Governance Code, the Viability Statement and regular updates from Committee Chairmen.

People

- Board members, including Heidi Roizen, Dominique Trempont and David Nelson, attended an Innovation Workshop held at the University College Berkeley (UCB). For more information please go to Our People section on page 40;
- Nicholas Berry presented to the Leadership Development Programme cohort in June 2015 and attended an event to network with the executives on the programme;
- Heidi Roizen presented to the DMGT Business Network Dinner for Senior Leaders in July 2015 talking about her career and how to be effective at networking in business; and
- Kevin Parry presented at the Governance Risk and Compliance Offsite for managers in key governance roles. He and Martin Morgan judged presentations from participants.

Other

- updates on feedback from investor and analyst meetings; and
- Board dinner with UK senior management held in London following July Strategy session.

CORPORATE GOVERNANCE

Governance in action

UK Corporate Governance Code (Code)

The Code remains an important part of how we operate. The Code allows a 'comply or explain' approach to achieving best governance practice. Whilst we comply with the majority of the Code requirements, we have chosen to deviate from the Code in some areas. These are detailed in the table 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.

All members of the Audit Committee are Non-Executive Directors and the majority are Independent Non-Executive Directors. The Audit Committee members continue to represent the necessary range of financial, risk, control and commercial expertise required to provide an effective level of challenge to management.

We remain satisfied that we continue to operate in accordance with high standards of governance. We have kept, and we will continue to keep, compliance with the Code under review and to adapt our position as needed.

Information required under DTR 7.2.6 is provided on page 80 and forms part of this Report.

Leadership

The Board has a duty to promote the long-term success of the Company for its shareholders. This includes: the review and monitoring of strategic objectives; approval of major acquisitions, disposals and capital expenditure; financial performance; reviewing the effectiveness of the Group's systems of internal controls and risk management; governance; risk management and information; and training and development.

How the Board operates

There is a schedule of matters reserved to the Board. This details key matters of the Company's management that the Board does not delegate. This can be seen on www.dmgt.com/corporate-governance. If any Director had any concerns about the way the Board was operating these would be recorded in the minutes. No such concerns were raised during the reporting period. Day-to-day management of the Company 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 54 to 79 and the full terms of reference can be found on the DMGT website, www.dmgt.com/corporate-governance.

Board meetings

There were five scheduled Board meetings held in the reporting period. Each year the Board holds a meeting where the specific focus is on our strategy. This was held in July 2015. All meetings were held at Northcliffe House, London, except for the September meeting, which was held in New York.

Division of Chairman and CEO responsibilities

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

Leadership Team

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

Non-Executive Directors

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

The service contracts of the Executive Directors are Code compliant.

UK Corporate Governance Code compliance

Provision	Code principle	Explanation
A 4.1	Composition of the Board	The Board has not appointed a Senior Independent Director. It considers that identifying such an individual is potentially divisive to a unitary Board and disruptive to the role of the Chairman.
A 4.2	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).
B 1.1	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.
B 2.1	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.
D 2.1	Composition of the Remuneration Committee	The Committee comprises two independent Non-Executive Directors, rather than three. More details are set out in the Remuneration Report on page 66.
C 3.2	Risk Committee approach	The Risk Committee is not comprised of independent Non-Executive Directors. As explained on page 52 the role and responsibilities of the Risk Committee, including its membership, are considered appropriate and well suited to reviewing the Company's risk management approach. The Risk Committee and the Audit Committee work collaboratively to ensure that the principles of the Code are achieved within this structure.

THE ROLE OF THE BOARD AND ITS COMMITTEES

DMGT Board

Chairman
The Chairman is responsible for leading the Board and overseeing operations and strategy.

Chief Executive
The Chief Executive is responsible for the execution of the strategy and day-to-day management of the Group, supported by the Leadership Team.

Audit Committee
The Audit Committee has ultimate responsibility for the Company's financial reporting, narrative reporting, whistleblowing arrangements, internal financial controls and the Internal and External audit processes.

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Risk Committee
The Risk Committee oversees risk management processes, the Group risk register and risk appetite and tolerance, including as part of the Viability Statement review, developments in relevant legislation and regulation and the Group's system of internal controls and risk management.

page 61

Remuneration Committee
The Remuneration Committee ensures that remuneration arrangements support the strategic aims of the business and enable the recruitment, motivation and retention of senior executives in a manner that is aligned to shareholder interests, while also complying with the requirements of regulation.

page 66

Nominations Committee
The Nominations Committee reviews the structure and composition of the Board and its Committees, in particular the skills, knowledge and experience of Directors.

page 65

Investment and Finance Committee
The Investment and Finance Committee evaluates investment opportunities, financing proposals and monitors returns on investments made.

page 63

Corporate Responsibility Committee
The Committee considers and recommends the Group's strategy for corporate responsibility issues, focusing on our people, our stakeholders and the environment.

page 64

Leadership Team
The Leadership Team, made up of CEOs of the operating businesses and DMGT executive management team. It discusses key issues of common interest within the businesses.

page 48

Independence

The Board has determined that Francisco Balsemão, Nicholas Berry, Lady Keswick, Kevin Parry, Heidi Roizen and Dominique Trempont are independent within the meaning of the Code. Francisco Balsemão has been on the Board for 13 years and Nicholas Berry for nine years. The Board has reviewed the independence of each, recognising that longevity of service is only one factor to be taken into account. The Board is satisfied that both have continued to demonstrate independence in terms of character and judgement.

John Hemingway is not considered to be independent as he has been a director of RCL, stepping down on 27 November 2015. David Nelson and Andrew Lane are similarly not considered to be independent as they are each advisers to the Chairman and to RCL. Nevertheless, the Board believes that these Non-Executive Directors make an important contribution to its deliberations and have invaluable experience of the Company, its business and its employees.

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 on page 50, the Board discharged its Code duties as follows:

- appointments: the Nominations Committee is responsible for referring potential appointments to the Board for approval and is assisted by the Chief Executive and the Group HR Director. Further details are in the Nominations Committee Report on page 65;
- 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 following a review by the Nominations Committee and the shareholder vote at the AGM;
- multiple commitments: the Nominations Committee recognises that 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 44 and 45. In addition, we recognise that the experience of our Non-Executive Directors is important across our activities. For this reason, Heidi Roizen has been a member of the MailOnline Advisory Board and other Non-Executive Directors have participated in Group events as set out on page 47. 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; and
- re-election: in line with the Code, all Directors stand for re-election annually and will do so at the February 2016 AGM.

Evaluation

In 2015, the Board undertook a review of its own performance and those of its Committees, which built on the results of the 2014 review. The review was conducted through an internal process facilitated by the Company Secretary. The review focused on a series of specific questions covering key areas reserved to the Board. In particular, the Board considered areas key to its discharge of its duties and its performance.

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

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

- reviews of major projects and continuing the process of providing updates during the year;
- continuing to review the composition of the Board through the Nominations Committee; and
- agreeing the key topics for debate and the rolling schedule of presentations by, and visits to, each of the operating businesses and ensuring sufficient time is allocated at meetings for discussion of these matters.

Board composition and diversity

We have continued to review the composition of the Board during 2015 to ensure that we have the right mix of members to contribute effectively to the development of our strategy and how we operate. In particular, to continue to ensure the mix of skills and expertise represented complements our strategic goals.

The Board remains supportive of the principles stated in the Davies Report.

Our view remains that diversity is broader than gender. We consider diversity in its broadest sense in reviewing how the Board operates and its composition. We do not see this as solely a compliance issue and consider that there is a risk that it becomes seen as such. The split of the Group's profits between our US and other businesses, the global nature of our operations and the range of activities undertaken across the Group has been reflected over recent years in our Board appointments. Maintaining this broad range of appropriate skills and experience will continue to be a factor in our Board succession planning. The Board is aware of and takes into account the principles regarding diversity of its senior management. This is considered as part of the senior management appointment process. Further details on our approach are included in the Nominations Committee Report on page 65.

Relations with shareholders

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

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

The Group is committed to reducing its impact on the environment in line with its Environment Policy and encourages shareholders to receive communications electronically in order to reduce printing and paper usage. Shareholders can register to receive electronic communications through the Company's Registrars, Equiniti. Shareholders can additionally register for Regulatory News Service email alerts at www.dmgt.com. Contact details can be found on page 196.

DMGT Board – membership

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

Engagement with institutional investors in 2015

Executive management and the Investor Relations team met with institutional investors throughout the year, other than during close periods. Particularly significant activities are shown below.

January
US Investor Roadshow

May and June
UK Investor Roadshow (Results)

May
Chairman's dinner

September
Investor Briefing (dmg information and RMS)
www.dmgt.com/ib2015

December
UK Investor Roadshow (Results)

Meetings with our institutional shareholders generally include questions about each of the major businesses. Topics that institutional investors were particularly interested in included:

- DMGT's capital allocation priorities and M&A strategy;
- RMS(one);
- MailOnline; and
- dmg media's print advertising revenues and cost base.

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

Monitoring and oversight

This section sets out in more detail how the Company reviews its internal controls and approach to risk management.

The Group operates a three tier line of defence. The benefits of the approach are shown in the table below. The Board has delegated day-to-day responsibility for internal controls to the Audit Committee and for risk management to the Risk Committee. Operating and investment decisions are delegated to the Investment & Finance Committee. Further details of the activities of these Committees are on pages 54 to 63 respectively.

First line of defence	Second line of defence	Third line of defence
Each operating business is responsible for the identification and assessment of risks, understanding the risk return strategy and operating appropriate controls.	Risk & Assurance, supported as appropriate by other functional areas, particularly Legal, Tax and Finance, provides challenge on the completeness and accuracy of risk assessments, reporting and adequacy of mitigation plans.	Internal Audit and the Risk and Audit Committees provide independent and objective assurance on the robustness of the risk management framework and the appropriateness of internal controls.
Benefits • Promotes a strong risk culture and longer term approach to risk management. • Promotes a strong culture of adhering to limits and managing risks exposures in accordance with each business's risk appetite and regulatory environment. • Ownership and responsibility remains close to the operating businesses and their attendant performance.	**Benefits** • Challenge across all risk types. • Understand the aggregated risk positions. • Objective oversight and challenge to the business areas and internal control framework used in the first line.	**Benefits** • Independent assurance on the system of risk management and internal controls. • Assess the appropriateness and effectiveness of internal controls. • The Risk Committee comprises management and Non-Executive Directors, providing a balance of oversight of the key activities undertaken. • Internal Audit provides assurance to the Audit Committee. • The Risk Committee and the Audit Committee appraise the other on key areas.

Risk management and internal controls system

The Board has overall responsibility for establishing, monitoring and maintaining an effective system of risk management and internal controls. This system provides reasonable rather than absolute assurance that the Group's business objectives will be achieved within the risk tolerance levels defined by the Board.

The Group operates on a divisional basis with each of the divisions having some autonomy as regards the establishment of risk management and internal control systems. Overseeing the divisional structure is a central management team responsible to the Board. Certain functions are undertaken centrally, including: Group accounting; investor relations; strategy; risk; Internal Audit; corporate tax; treasury; insurance; senior management reward; senior recruitment and HR.

The Board has established an ongoing process for identifying, evaluating and managing the principal risks faced by the Company. This system has been in place for the year and up to the date of approval of the financial statements. Though monitoring is an ongoing process, principal risks are formally reviewed at half year and year end.

The Board formally evaluated the system of risk management and internal controls in conjunction with the Risk and Audit Committees (see pages 54 to 62). This evaluation focused on material controls relating to principal risks and entity level controls as well as any additional controls and processes required to support the Company's Viability Statement (see page 53). The evaluation also considered any identified control weaknesses identified by Internal or External Audit, or as a result of incidents of fraud. Controls over the recording of amounts in the Group's consolidated financial statements relating to investments have also been assessed and are considered as appropriate.

Euromoney Institutional Investor PLC is subject to the requirements of the Code in its own right. As disclosed in its latest report, it has in place its own system of internal controls and risk management processes which form part of the Group's overall framework of control. The Directors have excluded joint ventures and associates, principally Zoopla Property Group Plc and Local World from their assessment as the Group does not have the ability to dictate or modify controls at these entities.

Key features of the risk management and internal controls system

The main features of the system of risk management and internal controls in relation the financial reporting process are described below:

Confirmation of key internal controls, and bribery and fraud assessment

Each operating business confirms the operation of key internal controls, which include compliance with DMGT Essentials, to Group Finance and Risk & Assurance (R&A) annually. The purpose of the assessment is to confirm the operation of a framework of internal controls, including anti-fraud controls, which are expected to be in place in each business unit. They are intended to provide standards against which the control environments of DMGT's business units can be monitored. An annual bribery and fraud risk assessment is completed at the same time, detailing risks and mitigating controls. In each case, R&A reviews and follows-up these submissions, as appropriate.

Review of relevant and timely financial information

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

Senior Accounting Officer sign-off

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

Risk and Assurance

As described on page 58, the Group has a well-established R&A function which undertakes internal controls reviews across the Group and reports its findings to the Audit Committee.

DMGT Essentials

FREEDOM WITHIN A FRAMEWORK

DMGT's operating model is one of decentralisation. We believe in the benefits of delegating decision-making to leaders who are close to their markets and customers. Our operating businesses are best placed to respond quickly to changing customer needs and to identify new growth opportunities.

This autonomy relies on an ethos of trust. Establishing and maintaining this trust rests on clearly articulated values, practices and processes, which, when followed, give DMGT the ability and confidence to delegate substantial responsibility.

In addition, as a Company which also benefits from being listed on the London Stock Exchange, the Board of DMGT must demonstrate that it has complied with its governance obligations arising under multiple laws and regulations.

BOARD COMMITTEES

The Board has delegated some activities and oversight to specific Committees. The work of these Committees is described in this section.

The Board has determined that having separate Audit and Risk Committees, each with specific terms of reference, is appropriate to provide the challenge and review required across the range of businesses operated. The Audit and the Risk Committees collaborate, as appropriate, with representation from each Committee on the other, as well as others possessing the requisite skills and experience to allow each Committee to meet its obligations and to provide the relevant assurance to the Board. This ensures that matters of mutual interest raised in either of the two Committees are discussed in each relevant Committee and also cascaded to the operating businesses.

Long-term Viability Statement

In accordance with provisions C.2.2 of the 2014 Corporate Governance Code, the Directors have assessed the prospects of the Company over a period of four years. The Board used this review period for the following reasons:

- the Group business planning cycle varies from three to five years for each of our businesses to reflect the diverse nature of our portfolio; and
- for the purpose of this exercise we have used a four year period which includes the next refinancing of our bank debt facilities by April 2019 and the refinancing of around half of our bonds in December 2018. As a result, it is expected that the Group assessment of viability will not extend beyond three years in future reporting periods.

The Board's assessment of the Company's future prospects and viability determined the Group's overall risk capacity by considering banking and bond covenants, other financial commitments, and borrowing capacity to determine the maximum loss from risk events that the Group could endure whilst remaining viable. The assessment has also been made with reference to the Group's current position and prospects, the Group strategy, the Board's risk appetite and principal risks, which the Directors review at least annually.

Group forecast revenue, operating profit, EBITDA and cash flows were subject to robust downside stress testing over the assessment period, which involved modelling the impact of a combination of severe but plausible adverse scenarios. This was focussed on the impact of the Group's principal risks crystallising.

Based on the analysis described above, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities as they fall due for the next four years.

Our strategic priorities page 11, principal risks page 36

Effectiveness of risk management and internal controls

The Directors have completed a review of the effectiveness of the Company's system of risk management and internal controls covering all material controls, including financial, operational and compliance controls. The majority of controls operated throughout the year, though some additional controls were implemented or enhanced during the year, along with the process for monitoring these material controls (see page 58).

The review did not identify any significant weaknesses in the system of risk management and internal control. Where weaknesses were identified, they were localised and specific to the individual operating businesses and not considered generic or significant at an overall level.

The controls to prevent an information security breach or cyberattack are being regularly enhanced reflecting the changing nature of potential threats and evolving best practice. As a result, these controls vary across the Group, with some operating businesses requiring more improvement than others.

Addressing these opportunities for improvement has been a focus area for the operating board of each business, the Risk Committee and the Board. We will continue to progress and enhance our controls in this area during the next financial year.

Fair, balanced and understandable

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

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

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

AUDIT COMMITTEE: CHAIRMAN'S INTRODUCTION

The work of the Audit Committee this year can be characterised as continuity in terms of scope of the agenda; change in respect of our Independent Auditors and the Audit Committee chairmanship; and development as we continue to embrace good practices in our work.

I would like to thank David Nelson for acting as Chairman of the Committee through the last year-end process. This allowed me, as a recently appointed Director, to gain a good understanding of the Group's activities prior to chairing the Committee whilst still being involved in the Committee's work and, in particular, the selection of PricewaterhouseCoopers LLP (PwC or the External Auditor) as our Independent Auditor.

The approach of the Audit Committee to its duties is unchanged, but we have reconfirmed our rolling agenda of business; expanded our review of the management of tax; and expanded the work undertaken to judge the quality of the External Audit.

The following pages set out the Audit Committee's Report for the financial year. The Report is structured in five parts:

1. summary of how the Committee operates: membership, key responsibilities; and governance as well as effectiveness;
2. review of the year: the significant financial reporting and auditing issues we addressed;
3. internal controls: the assessment of the adequacy of the control framework;
4. internal Audit: the scope of their work including key reviews; and
5. External Auditor: its appointment, independence, effectiveness and objectivity.

The Audit Committee works closely with the Risk Committee to cover pertinent topics in the most suitable forum. The Audit Committee will continue to pay particular attention to the split of responsibilities between the Risk and Audit Committees to ensure that arrangements that have been put in place to meet the substantive requirements of the Code are operating effectively.

Kevin Parry
Chairman of the Audit Committee

Membership

During the year, Independent Non-Executive Director, Kevin Parry, was appointed Chairman of the Committee, succeeding David Nelson, who had been Acting Chairman. All members of the Committee are Non-Executive Directors and the majority are Independent Non-Executive Directors. The Audit Committee members continue to represent the necessary range of financial, risk, control and commercial expertise required to provide an effective level of challenge to management. Kevin Parry is a former senior audit partner, former chief financial officer and chairs two audit committees at other listed companies. David Nelson is the senior partner of an accounting practice. Consequently Kevin Parry and David Nelson continue to be designated as the financial experts on the Audit Committee for Code purposes.

Member	Member for year	Meetings held	Meetings attended
K A H Parry (Chairman)*	Yes	4	4
N W Berry*	Yes	4	4
J G Hemingway	Yes	4	3
D H Nelson	Yes	4	4
D Trempont*	Yes	4	4

* Independent Director.

Key activities

- The transition of the Auditors from Deloitte to PwC: this has been well managed.
- Adjustments to IFRS numbers to give non-GAAP measurements of profit.
- Accounting judgements relating to impairments and deferred tax: we challenged management and are satisfied with the reported positions.
- The findings of Internal Audit reports: these are contributing well to continuous improvement in the control environment.
- Changes to the Corporate Governance Code (Code), particularly the Viability Statement (see page 53). Relatively few have been published to date and we will monitor our statement against evolving practice.
- Continuing our focus on de-cluttering the Annual Report: this is a continuous process designed to improve communications with our shareholders.

Key responsibilities

The Audit Committee meets at least four times a year. The responsibilities of the Audit Committee are unchanged from last year:

- selecting and recommending the appointment and reappointment of the External Auditor, approving its terms of reference, annual audit plan and audit fees;
- reviewing the independence and total remuneration of the External Auditor and the relationship between the fees for audit and non-audit work and specifically the nature of non-audit fees;
- reviewing the performance of the External Auditor and ensuring the rotation of the audit partner to an individual with relevant experience and skills;
- reviewing the annual and interim management statements and accounts before they are presented to the Board, addressing: any significant issues arising from the audit; accounting policies and clarity of disclosures; compliance with applicable accounting and legal standards; and issues requiring significant judgement;
- reviewing the fairness, balance and understanding of the Annual Report and making recommendations to the Board in respect of those tests;
- monitoring the integrity of the financial statements of the Group, and other formal announcements relating to the Group's financial performance;
- reviewing the financial risks faced by the Group, monitoring the adequacy of the internal control environment and reporting on those matters in the Annual Report;
- approving the appointment or termination of the Head of R&A (who is the Head of Internal Audit), approving the Internal Audit charter and monitoring the effectiveness of the Internal Audit function in the context of the Group's overall risk management framework;
- reviewing and assessing the annual Internal Audit plan, receiving Internal Audit reports and monitoring management's responsiveness to Internal Audit findings and recommendations; and
- meeting regularly, in private without management present, separately, with the Head of R&A and the External Auditor.

Governance

The integrity of the Group's financial results and internal control systems are important to both the Directors and shareholders. They are particularly important to DMGT because the Group's delegated management style requires reliable measurement of achievements against strategic objectives. Consequently, the Audit Committee encourages and seeks to safeguard high standards of integrity and conduct in financial reporting and internal control. The Audit Committee tests and challenges the results and controls in conjunction with management and the Internal and External Auditors.

The Audit Committee has fulfilled its responsibilities during the year and confirms the Group is in compliance with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014. The Audit Committee is permitted to obtain its own external advice at the Company's expense. No such advice was sought during the year.

How the Committee operates

Meetings are generally scheduled to take place around the time of the Risk Committee meetings and just prior to Board meetings to maximise the efficiency of interactions. Reports are made to each Board meeting on the activities of the Audit Committee, focusing on matters of particular relevance to the Board in the conduct of its work.

The Audit Committee has been supported in its activities during the year by the Chief Executive, Finance Director, Group Financial Controller, Head of R&A and the General Counsel & Company Secretary. They generally sponsor papers for the Audit Committee which are typically distributed one week prior to meetings.

The External Auditor is invited to each meeting. The Audit Committee has met regularly and separately with the Finance Director, the External Auditor and the Head of R&A, without others being present.

Effectiveness

The Audit Committee reviews its terms of reference and effectiveness annually.

As in previous years, the effectiveness of the Audit Committee has been internally reviewed by its members and by the Board. This was the first full year that the Audit Committee had operated under its revised terms of reference. These were updated during 2014 to ensure consistency with good practice and alignment with the Risk Committee's terms of reference. The reviews confirmed that the Audit Committee remained effective at meeting its objectives, the principles of the Code and the needs of the Group. No changes were made to the Audit Committee's terms of reference during the year but in the light of evolving best practice, the Audit Committee has increased the depth of its review of the External Auditors; and specifically reviewed tax management. It has also worked closely with the Risk Committee to implement Code changes, notably in respect of the Viability Statement. Each of these matters is commented on the following pages.

Review of the year

Summary of meetings in the year

The Audit Committee held four meetings during the year, with the November and May meetings specifically aligned with the full and half-year results. The Audit Committee works with executive management, External Auditors and the R&A function to discuss judgemental issues at an early and relevant opportunity. This resulted in informed decisions on the basis of quality papers which provide a thorough understanding of facts and circumstances and acts as a backdrop to insightful discussions. There was no disagreement over accounting or reporting outcomes with management or the External Auditors during the reporting period.

The Audit Committee has focused its time on financial reporting policies and presentation, the valuation of intangible assets and the External and Internal Audit arrangements and findings.

Over the course of the year the Audit Committee considered and discussed the following significant matters relating to financial reporting and accounting.

The issue and its significance	Focus of work	Comments and conclusion
Financial reporting		
The content of the annual and semi-annual reports and trading updates needs to be appropriate, complying with laws and regulation.	We streamlined our approach to the Annual Report with a view to improving its clarity, reducing clutter and avoiding immaterial adjustments to operating profit. We reviewed all accounting policies for continued appropriateness and consistency of application. We reviewed all sections of the Annual Report having particular regard for the Audit Committee's specific responsibilities for the financial statements. In particular, we reviewed reports from financial management, Legal, Risk & Assurance which confirmed compliance with regulations. We reviewed the financial risks and papers to support the going concern basis of accounting.	By considering accounting policies and governance reporting prior to the year end, we reduced clutter and improved the clarity of reporting. For example, the inclusion of a balance sheet for the year end before last was discontinued. A number of notes were reduced to avoid immaterial disclosures. A materiality threshold of £5 million has been set for exceptional items (unless smaller items had already been disclosed for the six months ended 31 March 2015). For more information on this go to page 57. Accounting policies have been streamlined to concentrate on policies specifically relevant to DMGT. We introduced new guidance on appropriate discount rates to apply when considering discounted cash flows. We were satisfied that the Group complied with reporting requirements.
Taken as a whole, the Annual Report needs to be fair, balanced and understandable so that it is relevant to readers (see page 53).	This was the second year end that we were required to comply with this requirement. We compared our Annual Report with those of other relevant companies and asked our newly appointed External Auditors for improvement recommendations. A late draft of the Annual Report was reviewed by both the Audit Committee and the Board. We used the Executive Directors', the External Auditors' and the Audit Committee's knowledge to determine the overall fairness, balance and understandability prior to final approval by the Board.	An interactive process allowed for comments to be made on an on-going basis. We will continue to monitor feedback for future enhancements. We were satisfied with the fairness, balance and understandability of the Annual Report and recommended its approval to the Board.

The issue and its significance	Focus of work	Comments and conclusion
Financial reporting continued		
The Annual Report includes a number of non-GAAP measures. See Note 13 and pages 34 and 35.	A paper justifying the need for additional operating profit disclosures was prepared. In addition to the disclosure of operating profit before and after specified adjustment, other non-GAAP measures are disclosed in the Annual Report, e.g. circulation figures and unique monthly hits. We commissioned Internal Audit to review other non-GAAP measures to ensure whenever possible they were third-party sourced or otherwise robustly compiled.	We decided to continue to adjust operating profit for intangible asset amortisation and compensation in the nature of capital payments because they are akin to goodwill which is capitalised. The adjustments assist understanding of the outcome for the reporting period. However, we also determined that communication would be enhanced by avoiding immaterial adjustments and combining similar items. We determined that the published data was of a high quality and helps a shareholder understand progress (particularly in the digital arena). The sources of data are disclosed.
We are required to prepare a Viability Statement in accordance with the revised Code (see page 53 and the Auditors' Report on pages 84 to 90).	We discussed and considered the period of the Viability Statement. Whilst the Group plans at least five years in advance, financial modelling varies from three to five years for each of our businesses to reflect the diverse nature of our portfolio. The Audit Committee's review is built on the work of the Risk Committee.	DMGT takes a long-term view of its business and its family shareholding which makes it particularly focused on long-term success. We concluded that in the light of the planning cycle and the term of bank facilities, that it would generally be appropriate to limit the Viability Statement to three years as the evidence to support the statement was robust, with an additional one-year period this year to factor in work undertaken for banking facility renewals.
Accounting judgements		
The Group has capitalised software development costs, other intangible assets and goodwill associated with acquisitions. Goodwill and intangible assets represent 198% (2014 196%) and 92% (2014 92%) respectively of the net assets. The carrying values need to be justified by reference to future economic benefits to the Group (see Notes 21 and 22 to the financial statements and the Auditors' Report on pages 84 to 90).	We ensured capitalised costs were separately identifiable and met the relevant accounting standard. We considered whether there have been events triggering an impairment review. Where there was such an event and whenever impairment testing is otherwise required, we reviewed papers prepared by executive management to determine whether an impairment had taken place. We focused on facts, assumptions, methodologies and discount rates. We received input from both operational and financial management and also reviewed relevant external commentaries.	We were satisfied that costs should be capitalised. Our reviews embraced sensitivities to changes in assumptions which allowed us to understand the materiality of conclusions in the context of our financial reporting. We focused on Genscape, CIE, HFI, Indaba, NDR and RMS(one) downside. We were satisfied with the impairments for CIE, HFI and Indaba and no impairments were currently necessary for NDR, RMS(one) or Xceligent. The Audit Committee noted that the conclusion was sensitive to future outcomes. Some combined domicile sensitivities could trigger an impairment if they occur in the future.
The Group carries deferred tax assets in respect of brought forward losses that represent 37% (2014 40%) of net assets (see Note 37 to the financial statements and the Auditors' Report on pages 84 to 90).	During the year, the Group recognised additional deferred tax assets of £17 million in respect of brought forward losses. We ensured that the recognition was justified by clarity over their future anticipated use and were not adversely affected by changes to tax legislation in relevant countries.	The extra assets were recognised following a detailed review of how the brought forward tax losses would be utilised and we were satisfied that changes to tax laws internationally did not adversely impact the carrying value of the total asset.

GOVERNANCE

The issue and its significance	Focus of work	Comments and conclusion
Accounting judgements continued		
The Group actively manages its portfolio of investments and consequently is active in making acquisitions and disposals. Transactions that contain unusual terms and/or innovative structures would require the accounting treatment to be carefully considered. During the year, £95 million was incurred on acquisitions and £113 million was realised on disposals (see Notes 17 and 18).	We ensure that Internal Audit individually audits material transactions and the Audit Committee considers carefully judgemental accounting and the carrying value of intangible assets and goodwill (see page 57). Internal Audit audits all significant acquisitions within six months of the acquisition where consideration exceeds £10 million.	The Investment and Finance Committee oversees all acquisition and disposal activity. There are common Committee members and the Audit Committee Chairman receives all the papers of that Committee. We were satisfied with the judgements made.
The Group has multiple sources of revenue ranging from subscriptions to software sales to display advertising. Revenue recognition can be intricate (see accounting policies on page 102).	We reviewed the accounting policies for revenue recognition and determined their appropriateness. Internal Audit visits all businesses on a rotational basis taking account of changed circumstances and perceived risk. Their work includes the testing of revenue recognition.	No accounting issues have been identified during the year.

Other matters

In addition to the significant matters addressed above, the Audit Committee maintains a rolling agenda of items for its review, including: capital strategy; financial and treasury management; feedback from investors; reconciliations of reported financial results with management accounts; tax management; and litigation. Nothing of significance arose in respect of those reviews during the year. There was no interaction with the Financial Reporting Council's (FRC) corporate reporting team during the year.

Internal controls

With effect from 2015, the Code has expanded the Board's responsibilities for the management of risk. This is addressed further in the report of the Risk Committee.

The Audit Committee closely monitors changes in financial management and reviewed the competence and quantity of the financial management resource in discussion with the Finance Director during the year. The Audit Committee was satisfied that the Company was able to fulfil its first line of defence duties and that there is a culture of continuous improvement.

The Audit Committee retains oversight for financial risks and controls. During the year it reviewed the nature of the top financial risks facing the Group, including foreign exchange and interest rates; liquidity; credit; counterparty and capital management. The Audit Committee concurs with the view of the Risk Committee that the financial risks are not the principal risks that the Group faces. Nevertheless, the Audit Committee places emphasis on the maintenance of high standards for controlling the financial risks and in addition to an annual confirmation from financial officers that the environment has operated effectively, gains independent assurance from Internal Audits.

Internal Audit

The Group has a well-established Risk and Assurance (R&A) function that undertakes an agreed programme of Internal Audits. The function sources external expertise as required from specialist suppliers. To ensure his independence from management, the Head of R&A reports directly to the Chairman of the Audit Committee and the Chairman of the Risk Committee (the Chief Executive). His dual reporting lines reflect the two Committees' responsibilities. The arrangements work well in practice. Internal Audit seeks to comply with relevant professional standards, notably those issued by the Institute of Internal Auditors in England and Wales.

The Internal Audit charter sets out the purpose and objectives of Internal Audit bringing a systematic and disciplined approach to the evaluation and improvement in control and governance processes. The Charter guarantees the function's independence and objectivity by means of its reporting lines and access to all records, personnel, property and operations of the Group. The Charter confirms the high level responsibilities of operational management (first line of defence) and ensures that the R&A undertakes its second and third lines of defence duties, avoiding any first line duties. The Charter is reviewed annually to take account of changing practices and standards. The Audit Committee is satisfied that the provisions of the Charter have been achieved in the year.

The Audit Committee encourages Internal Audit to adopt ongoing development and new technology to support its reviews. This year it trialled the use of data analytics; enhanced its review of fraud and bribery countermeasures; introduced a self-assessment checklist for compliance with DMGT Essentials (see page 52), which has permitted it to address cultural matters with effect from May 2015; contributed to the Governance, Risk and Compliance (GRC) Network in conjunction with the General Counsel; and jointly hosted the GRC global offsite for those managers with key roles in the governance framework.

The Audit Committee approves an annual audit plan that is flexible enough to embrace intra-year changes for changed circumstances, such as acquisitions, disposals, extensive management change etc. In setting the plan, the scope of Internal Audit work is considered for each division (including head office) and takes account of assessments of risk, input from senior management, the Audit Committee, and previous findings (see page 57). Some audits are undertaken for the Group as a whole. For example, this year there was a Group-wide emphasis on information security (including cybercrime), business continuity and anti-fraud and bribery procedures. Other issues selectively audited included revenue recognition; payroll; health and safety; and payables.

Each year, the Audit Committee assesses recommended changes to the annual plan to ensure that total coverage meets its requirements and that the budget and resource levels are adequate.

At each Audit Committee, the Head of R&A addresses key matters arising, focusing on audits with the most significant findings. Additionally, common themes are drawn out so that management can make early enquiries of businesses not recently visited with a view to heading off potential issues.

Throughout the year, there was a range of outcomes from the Internal Audits. The Audit Committee welcomes the identification of areas for improvement and places higher emphasis on actions taken as a result of review points than on particular findings at the time of review. Whenever deficiencies or opportunities for improvements are identified, the Audit Committee's emphasis is on the appropriateness of the reaction to the identified issue. We look to management to take timely and proportionate steps to eliminate weaknesses and we monitor their adherence to agreed timescales.

During the year the Audit Committee asked Internal Audit to look at the root causes for delay in remediating audit findings and asked the Finance Director to put additional focus on timely remediation of audit findings. The most common reason for resolutions being overdue is over-ambitious setting of deadlines.

The Audit Committee assessed the quality of the Internal Audit function during the year without considering it necessary to engage an outside review. The last external review was performed two years ago and it is the Audit Committee's intention to commission an external review no later than the year ending 30 September 2017. Based on its review, the Audit Committee was firmly of the view that the function is highly effective. The Audit Committee was particularly impressed that the function is able to maintain strong relationships with management regardless of the outcome of their audits and embraces continuous development.

External Auditors

The appointment

As reported last year, following a competitive tender, PricewaterhouseCoopers (PwC) was appointed as the External Auditor, succeeding Deloitte. The Audit Committee has primary responsibility for making recommendations to the Board on the reappointment of the External Auditor and for determining its independence from the Group and its management. Whilst PwC will stand for election as auditors annually, absent any service or quality issue, we anticipate PwC being the Group's auditors for at least the next four years.

The tender process allowed PwC to consider carefully the scope of its audit and the important risks facing the Group. The tender process did not identify the need for any major change in audit approach. PwC has focused on the risk assessment to embrace industry, listed company and managerial angles and tracked those risks into its audit approach.

The audit fee payable to PwC amounts to £2.2 million. As part of the audit tender, detailed analysis was undertaken on the audit fee and the Audit Committee is satisfied that the fee is commensurate with permitting PwC to provide a quality audit. In the previous year £2.4 million was payable to Deloitte. The change in fee is primarily attributable to scope changes as a result of changes to the composition of the Group.

Auditor independence

The Audit Committee considered the safeguards in place to protect the External Auditor's independence. In particular, to ensure that the Company's policy on the External Auditor's independence is consistent with the ethical standards set out by the Audit Practices Board in the UK. PwC reviewed its own independence in line with this criteria and its own ethical guideline standards. PwC confirmed to the Audit Committee that following this review it was satisfied that it had acted in accordance with relevant regulatory and professional requirements and that its objectivity is not compromised.

To ensure no conflict of interest arising from auditors being responsible for non-auditing work, the Audit Committee reviewed and approved an updated policy on non-audit services including the process by which PwC might be appointed to provide such services. The review, which coincided with PwC's appointment as External Auditor took account of regulatory changes and good practice. Services that may not be performed are those which may conflict with the Auditor's role. Subsequent to PwC's appointment, one further policy amendment has been made to prohibit any work on base erosion and profit shifting. We keep this policy under review. However, certain services are sufficiently low risk as not to require the Audit Committee's prior approval (for example, audit-related services including the

Governance Risk and Compliance (GRC) Network

Key governance, risk and compliance trends faced by the Group include:

- increased regulation in general;
- increased participation in regulated activities;
- commonality of core issues across operating businesses;
- the importance of using subject matter experts (internal and external) to facilitate business planning and execution; and
- the need for increased visibility of GRC activities to demonstrate both internally and externally that governance standards are being met.

These trends, when taken into account with the Group's growth agenda, make cross operating business and head office interaction essential from both a strategic and an operational viewpoint. We recognise that the flexibility to allow each operating business to implement controls relevant and suitable for that business remains key. However, we can benefit from a collaborative approach as each operating business is looking to put in place similar compliance controls.

To recognise these trends, and to support better our operating businesses, we have implemented a GRC Network across the Group, led from head office. This GRC Network brings together people from the operating business with an interest in and responsibility for key topics across a number of disciplines and facilitates best practice sharing. Core activities in the reporting period have included a monthly governance guide, a trade sanctions webinar and a two-day offsite meeting, to explore risk management as an aid to supporting our strategy. The GRC Network better equips our businesses to address the various issues that they face and allows information sharing in an efficient and focused manner.

review of interim financial information). In addition to the Group's policy, PwC has confirmed that any work commissioned by the Group is reviewed for compliance with their internal policy on the provision of non-audit services.

Prior to becoming External Auditors, PwC provided pension advice to the Group. Following their appointment as External Auditors, they can no longer provide such advice, which is now being provided by alternate advisers.

The total non-audit fees paid to PwC amounted to £0.9 million which is within the 70% audit fees legal limit (that will apply over a rolling three-year period). The Audit Committee is satisfied that PwC was selected based on individuals' particular expertise, knowledge and experience and that the work did not impair PwC's independence as Auditors. All non-audit work undertaken by PwC was approved by the Audit Committee unless it was de minimis and not prohibited under our policy.

The Audit Committee, having taken account of PwC's confirmations, is satisfied that PwC is independent of DMGT and its subsidiaries.

Audit quality and materiality

The Audit Committee places great importance on ensuring that there are high standards of quality and effectiveness in the external audit process.

In the final year of its tenure, the Committee was satisfied that Deloitte maintained their independence and the quality of its work. The Audit Committee agreed a transition plan with both PwC and Deloitte. The Audit Committee has been particularly involved in the oversight of the transition to PwC and is satisfied that a seamless handover has been achieved. The Committee thanks both firms for their cooperation to ensure a smooth transition of External Auditors.

It is too soon to conclude definitively on the quality of PwC's audit – that will take place over the next few months following the completion of a questionnaire by Audit Committee members by regular attendees of Audit Committees and financial management. Nevertheless, the review of the activities of PwC, as External Auditor, has commenced. This includes reviewing and approving the external audit plan to ensure that it is consistent with the scope of the external audit engagement and that all commitments made in the audit tender are adhered to. In reviewing the audit plan, the Audit Committee discussed significant and elevated risk areas identified by PwC that are most likely to give rise to a material financial reporting error or those that are perceived to be of a higher risk and requiring audit emphasis (including those set out in PwC's Report on pages 84 to 90).

The Audit Committee also considered the audit scope and materiality threshold.

The audit scope was planned to cover the Group-wide risks and local statutory reporting enhanced by desk top reviews for smaller, low risk entities. Approximately 74% of the revenue and adjusted profit was fully audited; approximately 12% of revenue and 8% of adjusted profit was subjected to specific procedures and the balance of revenue and profit was covered by desk top reviews. We have agreed with PwC that visits to smaller businesses will rotate so that every part of the Group can expect to be visited by the External Auditors over time.

We have discussed the accuracy of financial reporting (known as materiality) with PwC both as regards accounting errors that will be brought to the Audit Committee's attention and as regards amounts that would need to be adjusted so that the financial statements give a true and fair view. Errors can arise for many reasons, ranging from deliberate errors (fraud etc) to good estimates that were made at a point in time that, with the benefit of more time, could have been more accurately measured. Overall audit materiality has been set at £11.0 million (2014 £10.0 million). This equates to approximately 4% of adjusted pre-tax profit as reported in the income statement. This is within the range that audit opinions are conventionally thought to be reliable. To manage the risk that aggregate uncorrected errors become material, we agreed that audit testing would be performed to a lower materiality threshold of £8.3 million (2014 £7.0 million). Further, PwC agreed to draw to the Audit Committee's attention all identified uncorrected misstatements greater than £0.5 million. The aggregate net difference between the reported adjusted profit before tax and the Auditor's judgement of net adjusted profit before tax was less than £1 million which was significantly less than audit materiality. The gross differences were attributable to various individual components of the income statement. No audit difference was material to any line item in either the income statement or the balance sheet. Accordingly, the Audit Committee did not require any adjustment to be made to the financial statements as a result of the audit differences reported by the Auditor.

This year, we have made two enhancements to our existing review procedures. First we asked PwC to write to us to explain how they would ensure that criticism made of the firm by the Audit Quality Review team of the FRC in its annual review of their firm would be addressed in our audit (insofar as comments were relevant); and the Audit Committee Chairman, Finance Director and, Group Financial Controller interviewed PwC in detail to understand the work it carried out on the audit of DMGT's Annual Report. The Audit Committee was satisfied with the specific responses to both sets of enquiries.

PwC has outlined to the Committee the professional development programme applicable to the partners and employees engaged on our audit; have justified key judgements taken during the course of the audit; and confirmed the audit complies with their internal independent review procedures. We have observed the professional skills, knowledge and scepticism of key members of the audit team including the Group team and partners responsible for the Euromoney and operating businesses.

Next year, we will enquire whether the audit of DMGT was subject to either a quality assurance process undertaken internally by PwC or externally by the FRC. If it is selected by either process, we will seek assurances that recommendations for improvements are embraced by the audit team. As this is a first-year audit by PwC, no such reviews could have taken place to date.

The Audit Committee met in private with PwC at the conclusion of the audit to confirm that they had received a high level of cooperation from management and to receive private feedback on the quality of financial management.

Based on the information currently available which draws on the enquiries outlined above and informal soundings of management, the Audit Committee anticipates it will conclude there has been a robust high-quality first-year audit performed by PwC both in respect of their opinion and service. The Committee has consequently recommended that PricewaterhouseCoopers LLP be reappointed as Auditors at the 2016 AGM.

RISK COMMITTEE: CHAIRMAN'S INTRODUCTION

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 of the risk management process is provided by the Risk Committee. The Audit Committee is responsible for the review of financial risks. The requisite risk and control capability is therefore assured through this structure. A Group-wide risk assessment process is managed biannually 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 from these results. 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 36 to 39.

Martin Morgan
Chairman of the Risk Committee

Membership

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

Member	Member for period	Meetings held	Meetings attended
M W H Morgan (Chairman)	Yes	5	4
C Chapman	Yes	5	5
S W Daintith	Yes	5	5
D M M Dutton	Yes	5	4
A H Lane	Joined 02/02/15	4 after 02/02/15	3
D H Nelson	Left 02/02/15	2 before 02/02/15	2
M Page	Left 18/05/15	3 before 18/05/15	3
K A H Parry	Joined 02/02/15	3 after 02/02/15	3

Key activities

- The Risk Committee reviewed the Group's risk management processes and the Group risk register. It received presentations from head office and each of the operating businesses on their individual risk registers, and at an additional meeting, considered high impact risks to the Group in the context of the Viability Statement.
- Operating businesses' information security and cyber resilience and implementation of the Group's information security standards was considered at each meeting.
- Other specific risk reviews included data protection, change management, health and safety, market influencing information products and insurance.

Key responsibilities

- Monitoring the Group's risk assessment methodology, including new risks, detection and prevention of fraud and bribery, and the Group's Speak-Up arrangements.
- Advising the Board on the overall risk appetite and tolerance.
- Considering Group risks including potential future risks and their impact.
- In conjunction with the Audit Committee, considering the impact of significant failings and weaknesses in material controls.
- Formulating and approving the Group Viability Statement disclosure.
- Reviewing the Group risk register and risk registers from each operating business annually and approving the principal risks and uncertainties disclosure.
- Reviewing reports on any material risk incidents and the adequacy of proposed actions.

Governance

- The Risk Committee reviewed its terms of reference and considered them to be appropriate. It also confirmed compliance with its Terms of Reference.
- The Risk Committee reported to the Board on its operations and the Group's principal risks and uncertainties.

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

Over the course of the year the Risk Committee considered and discussed the following significant matters relating to financial reporting, accounting and the control environment.

The issue and its significance	Focus of work	Comments and conclusion
Corporate Code changes		
This year, we looked to implement the changes to the Code. This included: 1) Committee structures and governance; 2) mapping principal risks to material controls, considering the effectiveness of the system of risk management and internal control; 3) Viability Statement; and 4) risk capacity, appetite and tolerance. This work was completed in conjunction with the Audit Committee and the Board.	1) The Risk and Audit Committees considered the existing structure, remit and responsibilities in consultation with the Chairman. 2) R&A mapped material controls to principal risks and considered entity level controls. The effectiveness of the system of risk management and internal control was considered in the context of the material controls and any control weaknesses identified. 3) A detailed viability analysis was performed by the Deputy Finance Director. This considered our principal risks and a number of severe but plausible downside scenarios in the context of our risk capacity and debt refinancing. 4) The Risk Committee reviewed the types and amount of risk we are willing to take or accept to achieve our strategic goals in an additional meeting facilitated by Deloitte. This helped to further define the risk appetite statements for our principal risks.	The Risk Committee approved all elements of the work undertaken to comply with the Code changes and recommended to the Audit Committee and Board that the proposed disclosures be adopted.
Information security and cyber risk		
Information security is a principal risk for the Group and an ongoing focus for the Risk Committee.	• The Risk Committee reviewed compliance with Group's information security standards at each meeting. • This included receiving presentations from Hobsons' management and the new Director of Information Security, North America. • The Risk Committee also reviewed and approved an updated version of the Group's Information Security Standards, which were issued to the operating businesses in August.	The Risk Committee's oversight of information security and cyber risk is ongoing and will continue into FY 2016. The revised security standards have been adopted across the Group and work is continuing to ensure compliance within an appropriate timeframe.
Compliance universe		
As part of our drive to improve our governance, risk and compliance capability, which began with the launch of DMGT Essentials, we commenced a detailed review to evaluate impact and accountability across the Group. The review is being carried out to ensure that the focus of our activities remains in line with our core compliance requirements.	• The review was completed with support from Good Corporation and completed through a series of interviews with head office management. • For each area of governance, risk or compliance, the impact and accountability were evaluated. • This exercise will be expanded in the coming year to incorporate responses from the operating businesses.	The exercise gave positive assurance that the material areas of compliance are well managed. It also highlighted areas for focus in FY 2016. The expansion of this review into the operating businesses will help to identify any areas of inconsistency in our approach.

INVESTMENT AND FINANCE COMMITTEE

The Investment and Finance Committee evaluates the benefits and risks of investment opportunities and financing proposals up to a level agreed with the Board. The Committee provides regular updates to the Board including monitoring returns on investments made and progress against agreed targets.

The Viscount Rothermere
Chairman

Membership

The Investment and Finance 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	12	10
M W H Morgan	Yes	12	12
S W Daintith	Yes	12	12
D M M Dutton	Yes	12	12
N W Berry	Yes	12	11
J G Hemingway	Yes	12	10
A H Lane	Yes	12	11
D H Nelson	Yes	12	12

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, tracking performance against the original investment case and assumptions for acquisitions and investments.
- Oversight of the Company's pension scheme planning, including discussions with the various Scheme Trustees and their advisers.
- Reviewing the Company's dividend planning activities.
- Reviewing and approving the Company's investment criteria.
- Reviewing and approving the Company's tax strategy.
- Oversight of the Chairman's Fund for Innovation and Growth.
- Oversight of the Company's share buy-back programme.
- Oversight of the Company's repurchase of certain of its bonds.

Key responsibilities

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

Governance

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

ACQUISITIONS AND DISPOSALS

The Group, as an active portfolio manager, manages and maintains a pipeline of potential acquisitions and investment opportunities against established investment criteria. Similarly, disposals of businesses are made and other liquidity events pursued where this meets the Group's strategic aims.

Chief Executive's Review page 10, Financial Review page 29.

GOVERNANCE

CORPORATE RESPONSIBILITY COMMITTEE

The Corporate Responsibility Committee (CR) considers and recommends the Group's strategy for CR issues. The Committee focuses on the Group's approach to our people, our stakeholders and our environment, to ensure that we have a positive impact on our activities and the communities within which we operate.

Claire Chapman
Chairman of the Corporate Responsibility Committee

Membership

Membership of the CR Committee comprises representatives from all of our operating businesses.

Member	Member for period	Meetings held	Meetings attended
C Chapman (Chairman)	Yes	4	4
S W Daintith	Yes	4	3
D M M Dutton	Yes	4	4
N Clements[m]	Joined 02/06/2015	2 after 02/06/15	2 after 02/06/15
P S Collins[m]	Yes	4	4
A G DiCola[i]	Yes	4	2
C R Jones[ERM]	Yes	4	3
M Milner[i]	Joined 02/06/2015	2 after 02/06/15	2 after 02/06/15
G Posse[e]	Yes	4	4
R Spitzer[RMS]	Yes	4	3

m: dmg media
i: dmg information
e: dmg events
ERM: Euromoney
RMS: RMS

Key activities

- Reviewing entries for the Community Champions Awards and choosing the winners of each category.
- Communicating the focus of charitable giving for the Group.
- Agreeing submissions for matched funding to be put forward to the Charity Committee for consideration.
- Reviewing data used to calculate the annual carbon footprint.
- Approval of the content of CR content for the Annual Report.
- Monitoring the progress of the CR Champions Network and plans for a conference for the network in FY 2016.
- Promoting the Group-wide Green Week initiative to encourage environmental awareness across our businesses.
- Reviewing a project to consider the Group's Employee Proposition.

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

Key responsibilities

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

Governance

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

NOMINATIONS COMMITTEE

The Nominations Committee keeps under regular review the structure and composition of the Board and its Committees, particularly the skills, knowledge and experience of the Directors to ensure that these remain aligned with the Group's developing requirements and strategic agenda.

The Viscount Rothermere
Chairman

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 Balsemão	Yes	4	4
N W Berry	Yes	4	3
J G Hemingway	Yes	4	3
D H Nelson	Yes	4	4

Key activities

- Reviewing potential candidates for Board appointments.
- Discussing Board and Committee composition and longevity of service and Board independence.
- Reviewing governance activities against best practice.
- Reviewing the Letter of Engagement with each Non-Executive Director to ensure the provisions remain 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.

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

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

Key responsibilities

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

Succession planning

Given the importance of succession planning, in addition to the general Board planning undertaken by the Nominations Committee, as in the previous year, the Non-Executive Directors held a separate session in November 2015 facilitated by the Group HR Director.

Governance

- The Committee reviewed its membership and confirmed the explanatory statement (on page 48) in respect of the Code.
- The Committee confirmed that it had complied with its Terms of Reference throughout the year.
- The Committee paid particular attention to extending the term of any Non-Executive Director that has served a term in excess of six years.
- The Committee reviewed the independence of the Non-Executive Directors and agreed to recommend that Francisco Balsemão, Nicholas Berry, Lady Keswick, Kevin Parry, Heidi Roizen and Dominique Trempont remained independent in accordance with the Code provisions.

The Viscount Rothermere
Chairman

The Viscount Rothermere
Chairman

In this section:

REMUNERATION POLICY

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

The Company's Directors' Remuneration Policy is available for inspection via the Company's website at www.dmgt.com.

The Remuneration Committee believes the policy remains appropriate for DMGT and its commercial situation. It provides the right balance between retention and incentivisation for executives and is therefore aligned to shareholder interests in the longer term.

"**PAY FOR PERFORMANCE IS KEY TO OUR REMUNERATION STRATEGY.**

THE FOCUS REMAINS ON ENSURING THAT PERFORMANCE TARGETS ARE ALIGNED TO OUR LONG-TERM STRATEGY AND TO THE CREATION OF SUSTAINED SHAREHOLDER VALUE"

Chairman's statement on remuneration

On behalf of the Board, I am pleased to present the Directors' Remuneration Report. In challenging market conditions, we have increased our investment in long-term growth initiatives and returned capital to shareholders while delivering sustainable financial results.

Pay for performance is key to our remuneration strategy. Our incentive schemes across our business are designed to reward entrepreneurial behaviour whilst not promoting excessive risk taking. The focus remains on ensuring that performance targets are aligned to our long-term strategy and to the creation of sustained shareholder value.

Executive Directors' bonus payments for FY 2015

In recognition of the critical importance of delivering both sustainable profit and progress against longer-term strategic objectives, our bonus includes a mixture of profit measures (both at the Group and business level) as well as key strategic targets.

In FY 2015, DMGT delivered a solid performance. Group revenues improved by an underlying 1% whilst operating profit declined by an underlying 4%, with an adjusted margin of 16%. The consumer media business, dmg media, delivered a good profit performance, offset by a reduced contribution from the B2B operations. The Group delivered strong cash flows, enabling a continued programme of organic growth and strategic acquisitions. We have invested in excess of £130 million in organic growth in FY 2015.

Bonuses reflect this overall level of performance, and our Chief Executive received an award of 58% of maximum. Full details can be found on pages 69 and 70.

Long-term incentives for FY 2015

There were no long-term incentives that vested this year. New awards were made under the 2012 LTIP.

As in previous years, the 2015 award is subject to performance conditions aligned to the strategic priorities of the Group over the next five years. We continue to make progress against these priorities:

To grow B2B business: revenues from B2B businesses, comprising RMS, dmg information, dmg events and Euromoney Institutional Investor saw an underlying increase of 3% in FY 2015. Bolt on acquisitions and promising stand-alone businesses, such as SiteCompli, helped to enhance growth in dmgi. dmg events has continued to increase the frequency and geographic presence of its flagship events.

Continue to invest in strong brands of digital consumer media, particularly MailOnline: the MailOnline has continued to grow its global audience and in January 2015 dmg media acquired Elite Daily, the news and entertainment website. MailOnline has also invested in technology and video content. The digital share of Group revenue in FY 2015 was 47% (up from 46% in 2014).

Grow sustainable earnings and dividends: the continued growth in adjusted earnings per share reflects the improved profitability of our business and the effect of the share buy-back programmes. We have proposed a full-year dividend of 21.4 pence, up by 5% from last year, continuing our strong track record of dividend growth.

Increase the Company's exposure to growth economies and international opportunities: international revenues now account for 49% of total revenues (up from 47% in FY 2014) with 30% coming from North America and 19% from the Rest of the World.

Revenues from outside the UK grew at an underlying rate of 5% during the year. The Group's international growth was bolstered by further minority investments in India and the acquisition of three new events in the Middle East.

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

Our strategic priorities

For more information see pages 11 and 12.

FY 2015 was the first year that Paul Dacre participated in the DMGT LTIP. His awards will vest after three years with the performance conditions focused on the delivery of strategic objectives for the Mail titles such as growth and investment in strong brands of digital consumer media, particularly MailOnline.

New appointment to the Committee

The Committee is pleased to confirm that Heidi Roizen was appointed effective 1 October 2014. Heidi Roizen brings considerable experience from the US, digital media and entrepreneurial environments.

Base salary for FY 2016

We continuously review the competitive position of remuneration for the Company's Executive Directors. Base pay increases in the last few years have been modest and in line with increases for the general DMGT workforce and the relevant external market. A salary increase of 2% was awarded to all Executive Directors with effect from 1 October 2015. This was in accordance with general salary budgets across the Group.

Incentive arrangements for FY 2016

Annual incentive targets will continue to be based on a combination of B2B, Consumer and overall DMGT profit targets and strategic objectives. The Committee believes that these continue to be the appropriate measures for the business.

An award will be made to executives under the terms of the 2012 LTIP subject to the existing measures. The Committee considers that the four LTIP strategic objectives continue to reflect the aims of the Group and progress against these will ensure that Executives are aligned with delivering a strong underlying performance and long-term sustained returns for shareholders.

Committee meetings during the course of the year

Details are given below on key matters discussed by the Committee during the course of FY 2015.

November 2014

Agenda items

- FY 2014 outcome of executive bonus schemes.
- Approval of LTIP participants and performance conditions.
- Approval of Remuneration Report.

February 2015

Agenda items

- FY 2015 targets for executive bonus schemes.
- Shareholder feedback on Annual Report.

April 2015

Agenda items

- Update on share schemes.
- Governance and valuation methodology.

July 2015

Agenda items

- Divisional remuneration strategy – stakeholder views.
- Divisional senior executive remuneration arrangements.

September 2015

Agenda items

- FY 2016 bonus financial targets.
- Personal objectives reviewed.
- Salary review of the Executive Directors and divisional senior executives.
- Divisional remuneration strategy.

Review of divisional remuneration strategy

In 2015 we started a process of looking at our long-term incentive arrangements across the Group. In particular, we considered the plans for RMS and dmg information to ensure that they focus and motivate employees, rewarding them for the achievement of strategic priorities.

In order to ensure that as our business evolves we continue to have a strong alignment between our incentives and our priorities, a key focus of 2016 will be a comprehensive review of our divisional reward strategy.

The Viscount Rothermere
Chairman

Executive Directors: remuneration at a glance

Corporate performance in FY 2015

Key indicators of corporate performance are shown below:

	2015	2014	Movement
Adjusted profit before tax	**£281m**	£291m	-4%
Dividend per share	**21.4p**	20.4p	+5%
Adjusted earnings per share	**59.7p**	55.7p	+7%
Share price	**£7.54**	£7.68	-2%

FY 2015 Remuneration outcomes for the Executive Directors

The table below summarises the remuneration for the Executive Directors in FY 2015:

	The Viscount Rothermere £000	M W H Morgan £000	S W Daintith £000	K J Beatty £000	P M Dacre £000	D M M Dutton £000	Total £000
Salary 2015	823	988	700	729	1,419	359	**5,018**
Increase with effect from 1 October 2015	2%	2%	2%	2%	2%	2%	
Bonus (including deferred amounts)	905	570	461	309	–	110	**2,355**
As a % of salary	110%	58%	66%	42%	–	31%	
Taxable benefits	37	21	16	23	56	16	**169**
Pension benefits	304	365	210	270	–	–	**1,149**
LTIP awards vesting in year	–	–	–	–	–	–	**–**
Dividend equivalent payment	–	–	23	87	–	–	**110**
Total remuneration FY 2015	**2,069**	**1,944**	**1,410**	**1,418**	**1,475**	**485**	**8,801**
Total remuneration FY 2014	2,400	2,021	1,427	1,425	2,412	625	**10,310**

The key elements of remuneration for the Executive Directors

The key elements of remuneration applicable for each Executive Director in FY 2015 are described below:

	Salary	Annual bonus opportunity	Annual bonus deferral	LTIP	Pension	Benefits
The Viscount Rothermere	£822,666 (including Euromoney Board fees)	180% of salary maximum 90% of salary on target	None applies	Does not participate	Allowance of 37% of salary	Car allowance Family medical insurance
M W H Morgan	£987,666 (including Euromoney Board fees)	100% of salary maximum 50% of salary on target	Any amount above target deferred into nil cost options for two years	Standard award of 100% of salary vesting after five years	Allowance of 37% of salary	Car allowance Family medical insurance
S W Daintith	£700,000	100% of salary maximum 50% of salary on target	Any amount above target deferred into nil cost options for two years	Standard award of 100% of salary vesting after five years	Allowance of 30% of salary	Car allowance Family medical insurance
K J Beatty	£729,000	60% of salary maximum 30% of salary on target	Any amount above target deferred into nil cost options for two years	Standard award of 100% of salary vesting after five years	Allowance of 37% of salary	Company car allowance Family medical insurance
P M Dacre	£1,419,000	–	–	In 2015 the previous annual salary supplement of £500,000 p.a. was replaced by an annual LTIP award with a value equivalent to 70% of salary		Company car and car allowance Fuel benefit Family medical insurance
D M M Dutton	£359,000	50% of salary maximum 25% of salary on target	None applies	Does not participate		Personal 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 FY 2015 and FY 2014. Details of the calculation of the annual bonus figure for FY 2015 can be found in the section Variable pay awards vesting in FY 2015, on pages 69 and 70.

	Financial year	Salary and fees[1] £000	Salary supplement[2] £000	Taxable benefits[3] £000	Pension benefits £000	Total fixed £000	Annual bonus[4] £000	Total annual remuneration £000	LTIP[5] £000	Recruitment and other awards[6] £000	Total remuneration £000
The Viscount Rothermere	**2015**	**823**	–	**37**	**304**	**1,164**	**905**	**2,069**	–	–	**2,069**
	2014	797	–	37	295	1,129	833	1,962	438	–	2,400
M W H Morgan	**2015**	**988**	–	**21**	**365**	**1,374**	**570**	**1,944**	–	–	**1,944**
	2014	957	–	21	354	1,332	514	1,846	175	–	2,021
S W Daintith	**2015**	**700**	–	**16**	**210**	**926**	**461**	**1,387**	–	23	**1,410**
	2014	679	–	16	204	899	359	1,258	–	169	1,427
K J Beatty	**2015**	**729**	–	**23**	**270**	**1,022**	**309**	**1,331**	–	87	**1,418**
	2014	707	–	32	262	1,001	424	1,425	–	–	1,425
P M Dacre	**2015**	**1,419**	–	**56**	–	**1,475**	–	**1,475**	–	–	**1,475**
	2014	1,378	1,000	34	–	2,412	–	2,412	–	–	2,412
D M M Dutton	**2015**	**359**	–	**16**	–	**375**	**110**	**485**	–	–	**485**
	2014	348	–	1	–	349	88	437	188	–	625
Total	**2015**	**5,018**	–	**169**	**1,149**	**6,336**	**2,355**	**8,691**	–	**110**	**8,801**
	2014	4,866	1,000	141	1,115	7,122	2,218	9,340	801	169	10,310

Notes
1. Salary shown for Lord Rothermere and Martin Morgan includes fees of £30,000 p.a. as Directors of Euromoney.
2. Paul Dacre received salary supplement payments totalling £1,000,000 during FY 2014. In FY 2015 the salary supplement was replaced with an LTIP award.
3. Taxable benefits comprise car or equivalent allowances which are £34,000 p.a. for Lord Rothermere; £18,000 p.a. for Martin Morgan; £14,000 p.a. for Stephen Daintith; £16,000 for Kevin Beatty and £14,000 for David Dutton. Paul Dacre has a company car with a taxable value of £29,196 p.a. plus a car allowance of £10,000 p.a. Paul Dacre also received a fuel benefit of £14,300 p.a. All of the Executive Directors received medical benefits with a cost to the Company of approximately £2,500 to £3,000 p.a.
4. The bonuses shown include amounts that will be deferred into shares but do not have any further performance conditions attached. Details of the calculation of the FY 2015 bonus and the amounts deferred are shown on pages 69 and 70.
5. 2007 LTIP vested in December 2013.
6. The value for the recruitment award made to Stephen Daintith in January 2011 was calculated using the price at vesting on 2 January 2014 of £9.725. There were no performance conditions for this award except continued employment at the point of vesting. Under the rules of the deferred bonus plan, participants are entitled to the value of the dividends that they would have received between the award date and the exercise date. In June 2015 Kevin Beatty and Stephen Daintith received cash dividend equivalent payments in relation to their exercise of deferred bonus nil cost option awards.

Executive Directors: Variable pay awards vesting in FY 2015

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 Executive Directors for the year ended 30 September 2015 and included in the single figure table 1 on page 69 (above) are shown below. The performance measures are either adjusted pre-tax profits or strategic objectives. The resulting bonus amounts are shown in the table below:

	Weightings				Opportunity as a % of salary				
	B2B	Consumer	Overall DMGT	Strategic objectives	Threshold	Target	Maximum	Actual outcome % of salary	Actual outcome £000
The Viscount Rothermere	30%	30%	40%	–	0%	90%	180%	110%	905
M W H Morgan	30%	20%	30%	20%	0%	50%	100%	58%	570
S W Daintith	30%	20%	30%	20%	0%	50%	100%	66%	461
K J Beatty	–	50%	–	50%	0%	30%	60%	42%	309
D M M Dutton	30%	30%	40%	–	0%	25%	50%	31%	110

Executive Directors

Annual report on remuneration table 2.2: Profit measures
The profit measure is split into three categories and weighted appropriately to the role of the Executive Director (shown in table 2.1). The Board considers the performance targets for the measures to be commercially sensitive as it would disclose information of value to competitors, and they will not be disclosed. The following illustrates performance against targets for the profit measures:

Profit targets	Below 0%	Threshold 0%	Target 100%	Maximum 200%	Outcome as a % of target
B2B			◆		99.6%
Consumer			◆		104.3%
Overall DMGT			◆		104.5%

Annual report on remuneration table 2.3: Strategic objectives
For the Executive Directors shown below with strategic objectives forming part of their bonus, the following illustrates performance against targets:

	Strategic objectives	Below 0%	Threshold 0%	Target 100%	Maximum 200%	Outcome as a % of target
M W H Morgan	Strategic review and organic growth			◆		100%
S W Daintith	Capital structure and divisional leadership				◆	180%
K J Beatty	Change programme and divisional targets				◆	160%

Annual report on remuneration table 3: Deferred annual bonus
The Committee agreed the following deferral requirements would apply to the annual bonus with no further performance conditions:

	Deferral requirement	Type of deferral	Amount deferred FY 2015 £000	Amount deferred as a % of FY 2015 bonus
The Viscount Rothermere	Nil	None	–	–
M W H Morgan	Amounts above target bonus deferred for 2 years	Nil cost options	77	13%
S W Daintith	Amounts above target bonus deferred for 2 years	Nil cost options	111	24%
K J Beatty	Amounts above target bonus deferred for 2 years	Nil cost options	90	29%
D M M Dutton	Nil	None		–

Executive Directors: Awards made under share schemes

Annual report on remuneration table 4: Nil cost options – Audited

The table below sets out the details of all outstanding awards of nil cost options as part of the deferred bonus plan, including those derived from the Executive Directors' bonuses for FY 2014 that were granted in December 2014 at the closing price on 1 December 2014 of £8.29. Following the exercise of an award, a cash payment with a value equivalent to the sum of all of the dividends declared for the award between the grant date and the date of delivery of the shares is made. No further performance conditions are imposed.

The value of December 2014 awards at issue were £35,398 for Martin Morgan, £20,030 for Stephen Daintith and £212,100 for Kevin Beatty and were based on a 1 December 2014 market closing price of £8.29. Awards will be made in December 2015 in respect of bonuses for FY 2015, to the value of £76,908 for Martin Morgan, £110,600 for Stephen Daintith and £90,396 for Kevin Beatty.

Award date	**Dec 2009**	**Dec 2010**	**Dec 2011**	**Dec 2012**	**Dec 2012**	**Dec 2013**	**Dec 2014**	
Award type	Nil cost options	Nil cost options	Nil cost options	Nil cost options	Nil cost options	Nil cost options	Nil cost options	
Relating to	2009 Bonus	2010 Bonus	2011 Bonus	2012 Bonus	2012 Bonus	2013 Bonus	2014 Bonus	
Exercisable from	Dec 2012	Dec 2013	Dec 2014	Dec 2014	Dec 2015	Dec 2015	Dec 2016	
Expiry date	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2019	Dec 2020	Dec 2021	
Status of awards	Vested	Vested	Vested	Vested	Outstanding	Outstanding	Outstanding	
Award price	£4.10	£5.39	£3.98	£5.27	£5.27	£9.16	£8.29	
Outstanding awards								**Total outstanding**
The Viscount Rothermere	–	187,581	110,464	–	129,635	–	–	**427,680**
M W H Morgan	–	77,272	44,215	21,560	–	38,349	4,270	**185,666**
S W Daintith	–	–	–	–	–	23,257	2,416	**25,673**
K J Beatty		34,970	17,069	19,473	–	16,795	25,585	**113,892**
Total outstanding		**299,823**	**171,748**	**41,033**	**129,635**	**78,401**	**32,271**	**752,911**
Exercised during year								**Total**
S W Daintith	–	–	24,201	22,588	–	–	–	**46,789**
K J Beatty	96,196	–	–	–	–	–	–	**96,196**
Total exercised								**142,985**

Shaded columns show options that have vested.

GOVERNANCE

Executive Directors

Annual report on remuneration table 5.1: 2010 LTIP award, core award and matching shares – Audited

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

No further performance conditions apply, except that the core award and none of the matching awards are realisable until the full award vests. Total values for core and matching awards for the 2010 LTIP award are shown in the single figure table 1 on page 69 against 2014.

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

Shaded columns show options that have vested.

Annual report on remuneration table 5.2: 2009 LTIP award, core award and matching shares – Audited

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

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

Award date	Dec 2009	Dec 2009	Dec 2009	Dec 2009	Dec 2009		
Award type	Core	Matching	Matching	Matching	Matching		
Relating to	2009 LTIP	2009 LTIP	2009 LTIP	2009 LTIP	2009 LTIP		
Vests	Sep 2012	Dec 2012	Dec 2013	Dec 2014	Dec 2015		
Realisable in	Dec 2015	Dec 2015	Dec 2015	Dec 2015	Dec 2015		
Status of awards	Restricted until Dec 2015	Restricted until Dec 2015	Restricted until Dec 2015	Restricted until Dec 2015	Outstanding		
Outstanding awards						**Total outstanding**	**Value at 30 Sep 2012 (£4.82 per share) £000**
M W H Morgan	69,053	34,527	34,527	34,527	34,527	**207,161**	999
K J Beatty	–	–	25,521	25,521	25,521	**76,563**	369
Exercised/realised during year						**Total**	
K J Beatty[1]	51,042	25,521	–	–	–	**76,563**	369

Shaded columns show options that have vested.

Notes
1. K J Beatty realised 76,563 shares in May 2015.

Executive Directors

Annual report on remuneration table 6: Long-Term Incentive Plans (LTIP) – Audited

All of the outstanding awards subject to performance conditions are summarised in the table below. Awards are made annually in line with policy. Further information about LTIP policy can be found in the policy report which is available for inspection at www.dmgt.com.

The Board considers that the specific targets relating to the measures for the LTIPs are commercially sensitive and will disclose performance against targets at the time the award vests. Awards made in 2014 were based on a 1 December 2014 market closing price of £8.29.

Award name	2009 LTIP[1] core award	2010 LTIP[1] core award	2011 LTIP award	2012 LTIP award	2013 LTIP award	2014 LTIP award	
Award date	Dec 2009	Dec 2010	Feb 2012	Dec 2012	Dec 2013	Dec 2014[2]	
Performance period ends	Sep 2012	Sep 2013	Oct 2016	Oct 2017	Oct 2018	Oct 2019	
Standard award as a % of salary	187.5%	187.5%	100%	100%	100%	100%	
Award price	£4.04	£5.59	£4.37	£5.27	£9.16	£8.29	
Price at vesting	£4.82	£7.62	N/A	N/A	N/A	N/A	
Performance measures	EBITDA; cumulative free cash; net debt/ EBITDA average; and performance against strategic plan	EBITDA; cumulative free cash; investment-grade rating; and performance against strategic plan	• Grow B2B business. • Continue to invest in strong brands of digital consumer media, particularly MailOnline. • Grow sustainable earnings and dividends. • Increase the Company's exposure to growth economies and to international opportunities.				
Status of award	Vested but restricted until Dec 2015	Vested but restricted until Dec 2016	Outstanding	Outstanding	Outstanding	Outstanding	
Maximum percentage of face value that could vest	100%	100%	100%	100%	100%	100%	
Estimated[e]/ actual vesting[a]	52.5%[a]	M W H Morgan 37.5%[a] K J Beatty 53.9%[a]	100%[e]	100%[e]	100%[e]	100%[a]	
Outstanding awards							**Total outstanding**
M W H Morgan	207,161	110,220	206,350	176,243	104,500	118,938	**923,412**
S W Daintith	–	–	146,453	125,085	74,167	84,439	**430,144**
K J Beatty[3]	76,563	117,049	152,494	130,246	77,226	87,937	**641,515**
P M Dacre	–	–	–	–	–	119,819	**119,819**
Total outstanding	**283,724**	**227,269**	**505,297**	**431,574**	**255,893**	**411,133**	**2,114,890**
Exercised/realised during year							
K J Beatty	**76,563**						**76,563**
Total exercised/ realised during year	**76,563**						**76,563**

Shaded columns show options that have vested.

Notes
1. The value of core and matching awards for the 2009 and 2010 LTIPs are shown in tables 5.1 and 5.2 on page 72 and the value of the 2010 award is shown in the single figure table 1 on page 69. The outstanding awards shown include the core and matching awards.
2. The value of the 2014 LTIP awards at issue were £986,000 for Martin Morgan, £700,000 for Stephen Daintith, £729,000 for Kevin Beatty and £1,419,000 for Paul Dacre.
3. K J Beatty realised 76,563 shares in May 2015.

Executive Directors

Annual report on remuneration table 7: 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 230,000 options granted to Executive Directors in 2004 lapsed in full in December 2014.

Award date	Dec 2004
Date from which exercisable	Dec 2007
Expiry date	Dec 2014
Exercise price	£7.24
Status of awards	Performance conditions not met
Vesting	Lapsed
Performance conditions	TSR must exceed that of the FTSE 100 Index for four out of six consecutive monthly calculation dates. EPS real growth over a period of three consecutive financial years
Lapsed awards	
The Viscount Rothermere	60,000
M W H Morgan	20,000
K J Beatty	30,000
P M Dacre	80,000
D M M Dutton	40,000
Total lapsed	**230,000**
Total outstanding	**0**

Annual report on remuneration table 8: Executive Directors' accrued entitlements under 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 contributions on behalf of Paul Dacre or David Dutton. No Executive Directors are now accruing further pension in the DMGT Senior Executives' Pension Fund. The normal retirement age under the Fund for this group is 60.

	Defined benefit: Accrued annual benefit as at 30 September 2015 based on normal retirement age £000	Defined benefit: normal retirement age	Defined benefit: Additional value of benefits if early retirement taken	Weighting of pension benefit value as shown in single figure table
The Viscount Rothermere	77	3 Dec 2027	–	Cash allowance: 100%
M W H Morgan	89	16 Feb 2010	N/A	Cash allowance: 100%
K J Beatty	103	1 Nov 2017	–	Cash allowance: 100%
P M Dacre	688	14 Nov 2008	N/A	N/A

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

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

Executive Directors

Annual report on remuneration table 9: Percentage change in remuneration of the Chief Executive
The table below sets out the remuneration delivered to the Chief Executive compared to total employee remuneration.

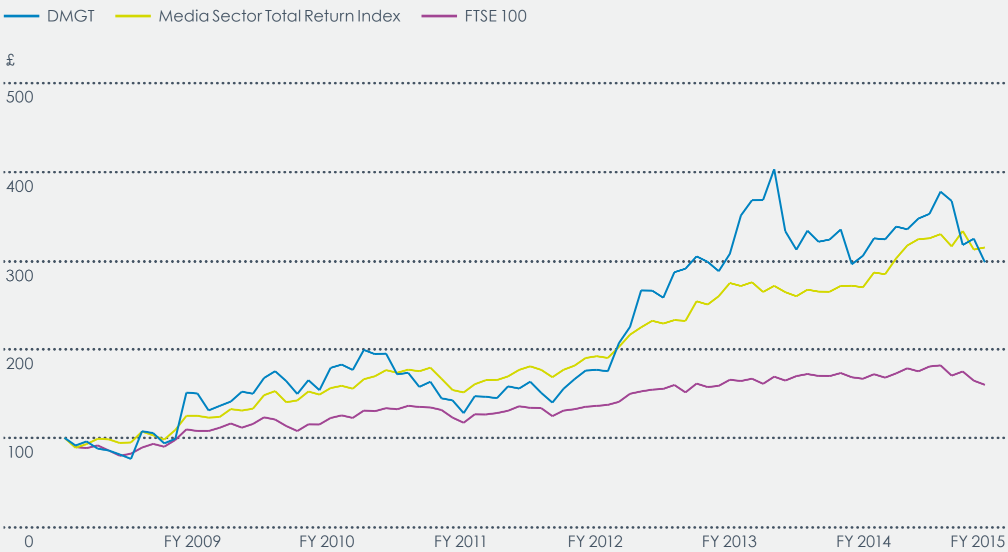
	Year	Value	% increase/decrease
Chief Executive remuneration (excluding LTIP)[1] £000	2015	£1,944	+5.3%
	2014	£1,846	
Total employee remuneration £000	2015	£559,400	+1.7%
	2014	£550,300	
Average remuneration £000	2015	£55.06	+2.8%
	2014	£53.57	

Notes
1. Total employee remuneration includes salaries, wages and incentives, but excludes pension benefits.

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

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

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



REMUNERATION REPORT
CONTINUED

Executive Directors

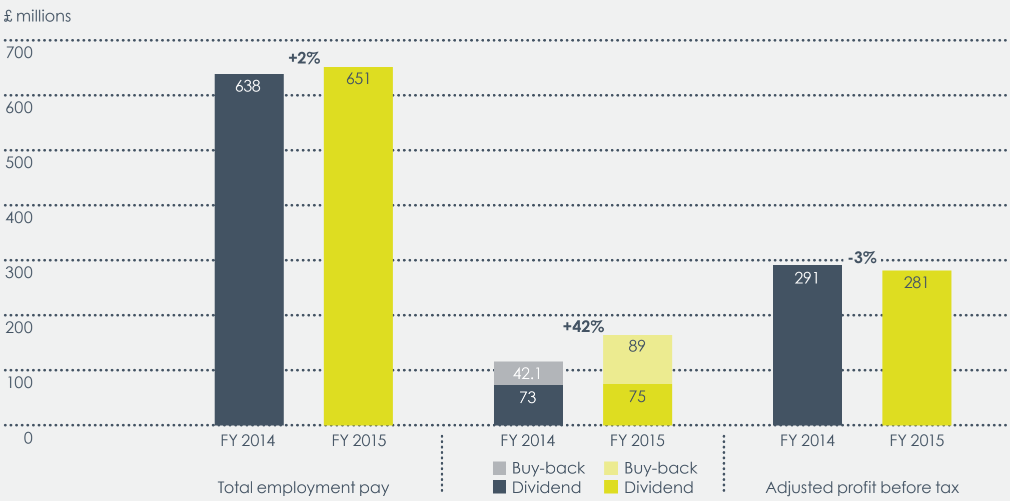
Annual report on remuneration table 10: Chief Executive remuneration outcomes FY 2009 to FY 2015

Financial year ending	FY 2009[1] £000	FY 2010[2] £000	FY 2011[3] £000	FY 2012[4] £000	FY 2013[5] £000	FY 2014[6] £000	FY 2015[7] £000
Total remuneration (single figure)	2,312	2,961	1,722	2,809	2,949	2,021	**1,944**
Annual variable pay (% maximum)	63%	98%	40%	63%	88%	54%	**58%**
LTIP achieved (% maximum)	0%	25%	25%/100%	52.5%	37.5%	40%	**–**

Notes
1. In FY 2009 maximum bonus opportunity was 200% of salary. No LTIP awards were made in that year or vested in that year. Maximum bonus opportunity was 100% of salary in all other years.
2. In FY 2010 the price on 31 December 2009 (£4.14) is used for the 2003 LTIP award which vested 75% out of a maximum 300% in December 2009.
3. Two awards vested in FY 2011. The price on 31 December 2010 (£5.72) is used for the 2004 award which vested 75% out of a maximum 300% in December 2010. The price on 30 September 2011 (£3.68) is used for the 2008 transition award which vested 100% in September 2011.
4. In FY 2012 the price on 30 September 2012 (£4.82) is used for the 2009 award which vested 52.5% out of a maximum 100% in September 2012.
5. In FY 2013 the price on 30 September 2013 (£7.62) is used for the 2010 award which vested 37.5% out of a maximum 100% in September 2013 and the 2006 award lapsed.
6. In FY 2014 the price on realisation on 23 June 2014 (£8.31) is used for the 2007 award which vested at 120% out of a maximum 300% in December 2013.
7. No LTIP vested in FY 2015.

Annual report on remuneration chart 2: Relative importance of spend on pay in the financial year

The chart sets out the relative importance of spend on pay in the financial year.



Executive Directors' remuneration policy

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 at least once every three years. The current policy was agreed at the AGM on 4 February 2015 and the policy has been operated, as described, from that date.

The Company's Directors' Remuneration Policy is available for inspection via the Company's website at www.dmgt.com.

Policy implementation FY 2016 – Executive Directors

Basic fees and salary	Increases to base salaries for Executive Directors in October 2015 were in line with average levels of increases for UK employees across the Group at 2%.
Pension	No change to prior year. Pension allowances are reported in the single figure table 1 on page 69 with further details in the Pension entitlements and cash allowances section in table 8 on page 74.
Benefits in kind	No change to prior year. Allowances and benefits for FY 2015 are reported in detail in the notes to the single figure table 1 on page 69.
Annual bonus	Annual bonus payments for FY 2015 are reported in detail in tables 2.1, 2.2, 2,3. For FY 2016, the financial measures and weighting for each measure will be the same as FY 2015 for Lord Rothermere, Martin Morgan, Stephen Daintith and David Dutton. The weighting for Kevin Beatty will be 70% dmg media based and 30% strategic objectives based.
Bonus deferral	The nil cost option awards made under the plan for FY 2014 are shown in table 4 on page 71. The cash amounts that apply for the FY 2015 bonus are shown above table 4 on page 71. Bonus deferral requirements remain as stated in table 3 on page 70.

Policy implementation FY 2016 – Executive Directors continued

Long-term incentive	No changes were made to the awards made under the LTIP policy in FY 2015. The strategic goals for awards since FY 2013 (including FY 2016) made to Martin Morgan, Stephen Daintith and Kevin Beatty are: • grow B2B business; • continue to invest in strong brands of digital consumer media – particularly MailOnline; • grow sustainable earnings and dividends; and • increase the Company's exposure to growth economies and to international opportunities. The LTIP award to Paul Dacre will vest after three years (as permitted under the changes to policy and LTIP rules agreed at the February 2015 AGM) with the performance conditions focused on the delivery of strategic objectives for the Mail business. Outstanding awards will continue to vest according to the Rules of the Plans they were awarded under. Details of outstanding awards and their status are shown in detail in table 6 on page 73.
Service contracts	No changes to service contracts have been made or planned.
Shareholding guidelines	The Committee recommends a minimum shareholding of 1.5x (150%) salary. There is no time frame over which the guidelines should be met. No changes to policy on shareholding guidelines are planned for the year. Directors' interests are reported in detail in table 12 on page 78.
External appointments	The Company allows its Executive Directors to take a very limited number of outside directorships. Individuals retain the payments from such services since these appointments are not expected to impinge on their principal employment. Martin Morgan was appointed to the Board of the City of London Investment Trust on 1 March 2012 and received a fee of £26,390 in FY 2015.

Non-Executive Directors: remuneration policy implementation

Policy implementation FY 2016 – Non-Executive Directors

Non-Executive Directors' fees	No changes to fees were made during FY 2015. Fees may be reviewed in FY 2016 within the policy terms. The actual fees paid to Non-Executive Directors in FY 2015 are shown in table 11 below.

Non-Executive Directors: annual report on remuneration

Annual report on remuneration table 11: Single figure of remuneration paid to Non-Executive Directors – Audited

The table below sets out the single total figure of remuneration for each Non-Executive Director in 2014 and 2015. There is a basic Non-Executive Director fee of £35,000 p.a. Additional fees are paid for membership and chairmanship of sub-committees and subsidiary Boards.

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

	2014			2015		
	Fees £000	Travel allowance £000	Total £000	Fees £000	Travel allowance £000	Total £000
F P Balsemão	39	20	59	**39**	**4**	**43**
N W Berry	84	20	104	**100**	**0**	**100**
J G Hemingway	78	20	98	**78**	**4**	**82**
Lady Keswick	35	20	55	**35**	**4**	**39**
A H Lane	60	20	80	**66**	**4**	**70**
D H Nelson	119	20	139	**142**	**14**	**156**
K A H Parry[1]	18	20	38	**88**	**4**	**92**
H Roizen[2]	96	70	166	**110**	**34**	**144**
D Trempont[2]	148	66	214	**148**	**34**	**182**
D J Verey[3]	25	–	25	**–**	**–**	**–**
Total	702	276	978	**806**	**102**	**908**

Notes
1. Kevin Parry joined the Board in May 2014. In addition to regular fees he received a one-off fee of £20,000 for special projects.
2. During the year Heidi Roizen was a member of the MailOnline Advisory Board and Dominique Trempont was a member of the RMS Board. Fees shown above include the fees and travel allowances for their participation on these Boards.
3. David Verey retired from the Board in February 2014.

Annual report on remuneration: Directors' shareholdings

Annual report on remuneration table 12: Statement of Directors' shareholding and share interests – Audited
The number of shares of the Company in which current Directors or their families had a beneficial interest and details of long-term incentive (LTI) interests as at 30 September 2015 are set out in the table below. The shareholding guideline for Executive Directors is 1.5x (150%) of salary. The value as a multiple of salary has been calculated using the 30 September 2015 share price of £7.54.

As at 30 September 2015	Ordinary	A Ordinary Non-Voting	LTI interests not subject to performance conditions[1]	Value (as a multiple of salary)[2]	Guideline met	LTI interests subject to performance conditions[3]	Total outstanding interests[4]
Beneficial							
The Viscount Rothermere	19,890,364[5]	61,531,183	427,680	749.7	Yes	–	427,680
M W H Morgan	–	1,062,214	185,666	9.5	Yes	923,412	1,109,078
S W Daintith	–	1,147	25,673	0.3	No	430,144	455,817
K J Beatty	–	55,240	113,892	1.7	Yes	641,515	755,407
P M Dacre	–	0	–	–	No	119,819	119,819
D M M Dutton	–	282,751	–	5.9	Yes	–	–
J G Hemingway	–	200,000	–	–	n/a	–	–
K A H Parry	–	5,711	–	–	n/a	–	–
	19,890,364	**63,138,246**	**752,911**			**2,114,890**	**2,867,801**
Non-beneficial							
The Viscount Rothermere	–	4,880,000					
J G Hemingway	–	4,894,500					
D H Nelson	–	212,611					
	–	**9,987,111**					
Total Directors' interests	**19,890,364**	**73,125,357**					
Less duplications	–	(5,752,611)					
	19,890,364	**67,372,746**					

Notes
1. The LTI interests not subject to performance conditions are the nil cost options awarded as the bonus deferral; full details can be found in table 4 on page 71.
2. The Value as a multiple of salary includes LTI interests not subject to performance conditions.
3. The LTI interests subject to performance conditions are detailed in table 6 on page 73 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 72.
4. Total outstanding interests are the sum of the LTI interests (both subject to and not subject to performance conditions) and options subject to performance conditions.
5. The Company has been notified that under Sections 793 and 824 of the Companies Act 2006, Lord Rothermere was deemed to have been interested as a shareholder in 19,890,364 Ordinary Shares at 30 September 2015.

At 30 September 2015, Lord Rothermere was beneficially interested in 756,700 Ordinary Shares of Rothermere Continuation Limited, the Company's ultimate holding company.

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

Annual report on remuneration table 13: Directors' interests in Euromoney – Audited
Executive Directors' beneficial shareholdings in Euromoney were as follows:

	30 Sep 2015
The Viscount Rothermere	0
M W H Morgan	7,532
Total Directors' interests	**7,532**

Disclosable transactions by the Group under IAS 24, Related Party Disclosures, are set out in Note 44 on pages 174 and 175. There have been no other disclosable transactions by the Company and its subsidiaries with Directors of Group companies and with substantial shareholders since the publication of the last Annual Report.

Annual report on remuneration table 14: Voting at general meeting
The table below shows the advisory vote on the 2015 Remuneration Report and the binding vote on future policy at the February 2015 AGM. The Committee consults with major shareholder prior to any major changes.

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

Annual report on remuneration: Remuneration Committee activities

Annual report on remuneration table 15: Remuneration Committee attendance

	Member for the year	Meetings held	Meetings attended
The Viscount Rothermere	Yes	5	5
N W Berry	Yes	5	3
D H Nelson	Yes	5	5
H Roizen	Yes	5	4

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

Remuneration Committee role and activities
The Committee's responsibilities include:

- Group remuneration policy; and
- setting the remuneration, benefits and terms and conditions of employment of the Company's Executive Directors and other senior executives.

The Committee's terms of reference are available on the Company's website. The Committee is chaired by Lord Rothermere with Committee members Nicholas Berry, David Nelson and Heidi Roizen.

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

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

In November 2015, the Committee conducted a formal review of its effectiveness and concluded that it had fulfilled its remit and had been effective in the year.

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

Annual report on remuneration

Annual report on remuneration table 16: Advice to the Remuneration Committee
During 2015, the Committee was advised by MM&K, a specialist remuneration adviser, who was appointed by the Committee. MM&K 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.

In 2015 remuneration advice was also provided by Towers Watson and in September 2015, having met with the Towers Watson team, the Committee agreed to appoint them as DMGT's primary remuneration adviser in place of MM&K. This decision was made based on Towers Watson's global capabilities, independence and expertise. MM&K may continue to provide some transition services in FY 2016. Both Towers Watson and MM&K also provided advice to management.

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 (fixed fee)	38
Towers Watson (time spent)	38
Greenhill (fixed fee)	495

This report covers the reporting period to 30 September 2015 and has been prepared in accordance with the relevant requirements of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (the Regulations) and of the Listing Rules of the Financial Services Authority. As required by the Regulations, a separate resolution to approve the policy and implementation reports will be proposed at the Company's AGM.

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

STATUTORY INFORMATION

Other statutory information

Required information can be found in the Strategic Report on pages 6 to 43, which is incorporated into this Report by reference. Information on the environment, employees, community and social issues is given in the Our People section and Corporate Responsibility Review on pages 40 to 43.

In accordance with the UK Financial Conduct Authority's Listing Rules (LR 9.8.4C), the information to be included in the Annual Report, where applicable, under LR 9.8.4, is set out in the Governance section, with the exception of details of transactions with controlling shareholders which is set out in Note 44.

Forward-looking statements

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

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

Tangible fixed assets and investments

The Company's subsidiaries are set out on page 177. Changes to the Group's tangible fixed assets and investments during the year are set out in Notes 23 to 26. There was no material difference in value between the book value and the market value of the Group's land and buildings.

Directors

The names of the Directors, plus brief biographical details are given on pages 44 and 45. Each Director held office throughout the year. In accordance with the UK Corporate Governance Code, all of the Directors will stand for re-election at the Annual General Meeting (AGM) on 10 February 2016.

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 6 to 43.

Results and dividends

The profit after taxation of the Group amounted to £245 million. After excluding the £29 million element attributable to non-controlling interests, the Group profit for the year attributable to owners of the Company amounted to £216 million. The Board recommends a final dividend of 14.9 pence per share. If approved at the 2016 AGM, the final dividend will be paid on 12 February 2016 to shareholders registered in the books of the Company at the close of business on 4 December 2015. Together with the interim dividend of 6.5 pence per share paid on 3 July 2015, this makes a total dividend for the year of 21.4 pence per share (2014 20.4 pence).

Directors' interests

The number of shares of the Company and of securities of other Group companies in which the Directors, or their families, had an interest at the year end, are stated in the Remuneration Report on page 78.

Employee Benefit Trust

The Executive Directors of the Company, together with other employees of the Group, are potential beneficiaries of the DMGT Employee Benefit Trust (Trust) and, as such, are deemed to be interested in any A Shares held by the Trust. At 30 September 2015, the Trust's shareholding totalled 2,690,766 A Shares.

Between 30 September 2015 and 8 December 2015 the Trust transferred 4,191 A Shares to satisfy the exercise of awards under employee share plans.

Significant shareholdings

As at 8 December 2015, the Company had been notified of the following significant interests of the issued Ordinary Shares:

Rothermere Continuation Limited	100%

The Board regards holdings in the Company's securities of greater than 15% to be significant. There are no significant holdings in the Company's A Shares other than those shown in the Remuneration Report on page 78.

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 38.

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

During the year, the Company transferred 4,244,549 shares out of Treasury, representing 1.2% of called-up A Shares, in order to satisfy incentive schemes. The Company held 7,690,766 shares in Treasury and by the DMGT Employee Benefit Trust with a nominal value of £1.0 million at 30 September 2015. The maximum number of shares held in Treasury and by the DMGT Employee Benefit Trust during the year was 29,912,842, which had a nominal value of £3.7 million. The Company also purchased 4.7 million 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 £37.9 million. Excluding the share buy-back programmes, shares purchased during the year represented 1.4% of the called-up A Share capital as at 30 September 2015.

On 8 December 2015 the Company held 5,861,872 Treasury Shares.

Details of allotments of share capital which arose solely from the exercise of options are given at Note 38.

Authority to purchase shares

At the Company's AGM on 4 February 2015, the Company was authorised to make market purchases of up to 34,306,634 A Shares representing approximately 10% of the total number of A Shares in issue. During the period 9 December 2014 to 30 September 2015, under the share buy-back programme, the Company purchased 8,183,453 shares into Treasury, at a total cost of £69.2 million (see Note 38).

External Auditor and disclosure of information to the External Auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's External Auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's External Auditor is aware of that information.

The Company's External Auditor PricewaterhouseCoopers LLP has indicated its willingness to serve and, in accordance with Section 489 of the Companies Act 2006, a resolution proposing the reappointment of PricewaterhouseCoopers LLP will be put to the AGM on 10 February 2016.

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, judgement is given against the Director.

Going concern

A full description of the Group's business activities, financial position, cash flows, liquidity position, committed facilities and borrowing position, together with the factors likely to affect its future development and performance, is set out in the Strategic Report, particularly the Financial Review on pages 29 to 35 and in the notes to the accounts on page 97.

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.

Viability Statement

A Viability Statement in respect of the Company can be found on page 53.

Directors' responsibilities

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have prepared the 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' Remuneration Report 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 6 to 43 includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

Relationship agreements

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

Charitable and political donations

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

Principal risk factors

These risks and how they are being managed or mitigated are shown on pages 36 to 39. The Directors have reviewed the Group's principal risks including those that would threaten the Group's business model, future performances, solvency or liquidity.

Events after the balance sheet date 8 December 2015

Details are provided in Note 45.

STATUTORY INFORMATION
CONTINUED

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 41 as regards ink and printing, where arrangements are in place until 2020 and 2024 respectively to obtain competitive prices and to secure supplies.

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

Creditor payment policy
The Company has no trade creditors (2014 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 Our People section on pages 40 and 41.

Human rights
The Company believes that our exposure to the associated risks in the context of human rights frameworks is minimal. DMGT does not have a specific human rights policy but has a number of policies that cover areas such as health and safety, bribery and corruption, and a questionnaire for evaluating if new suppliers are ethical and lawful.

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

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

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

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

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

The Company does not have agreements with any Director or employee providing compensation for loss of office or employment that occurs because of a takeover bid, except for provisions in the rules of the Company's share schemes which may result in options or awards granted to employees vesting 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 2015, or was entered into during the year for any Director and/or connected person except as detailed in Note 44 (2014 none).

Annual General Meeting
The AGM will be held at 9.00 am on Wednesday 10 February 2016 at Northcliffe House, 2 Derry Street, London W8 5TT. The resolutions to be put to the meeting are set out on page 83. 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.

A resolution to reappoint the Group's External Auditor PricewaterhouseCoopers LLP, will be proposed at the 2016 AGM.

By order of the Board

Claire Chapman
General Counsel & Company Secretary

ANNUAL GENERAL MEETING 2016: RESOLUTIONS

The Company's Annual General Meeting (AGM) will be held at 9.00 am on 10 February 2016. 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 2015.

Remuneration Report

2. To receive and approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) as set out on pages 66 to 79 of the Annual Report for the financial year ended 30 September 2015, in accordance with Section 439 of the Companies Act 2006.

2006 Executive Share Option Scheme

3. To renew and amend the 2006 Daily Mail and General Trust Executive Share Option Scheme.

Dividend

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

Directors

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

Auditor

6. To reappoint PricewaterhouseCoopers LLP as External Auditor.

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

As special business

8. 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 34,306,634 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 9 at the AGM on 4 February 2015 shall be of no further force or effect.

9. 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 £2,144,165 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 2016 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.

10. 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 9 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 2016, 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 £2,144,165.

Notice

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

GOVERNANCE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAILY MAIL AND GENERAL TRUST PLC

Report on the financial statements

Our opinion

In our opinion:

- Daily Mail and General Trust plc's Group financial statements and parent Company financial statements (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 2015 and of the Group's profit and cash flows 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the consolidated statement of financial position as at 30 September 2015;
- the consolidated income statement and consolidated statement of comprehensive income for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the parent Company balance Sheet as at 30 September 2015;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

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).

Our audit approach

Overview

Materiality

Overall Group materiality: £11.0 million which represents 4% of adjusted profit before tax.

Audit scope

- Of the Group's five trading reporting divisions, we identified dmg media, RMS and Euromoney which, in our view, required a full scope audit, either due to their size or their risk characteristics.
- Within dmg information and dmg events we performed a combination of full scope audits, over entities with statutory audit requirements, and specified audit procedures on certain balances or transactions.
- We used local teams in the US and Dubai to perform those full scope audits or specified procedures relating to the relevant overseas businesses within RMS, Euromoney, dmg information and dmg events divisions. The Group audit team held regular meetings with these locations, and visited the US, to direct and supervise the work of these local teams and to make sure that we had a full and comprehensive understanding of the results of their work – particularly insofar as it related to the identified areas of focus.
- This, together with additional procedures performed at the Group level, gave us the evidence we needed for our opinion on the Group financial statements as a whole.

Areas of focus

- Impairment of intangible assets and goodwill.
- Accounting for acquisitions and disposals.
- Presentation of adjusted profit.
- Capitalisation of development costs.
- Accounting for deferred taxation and uncertain tax positions.

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. Procedures designed to address these risks included testing of journal entries and post-close adjustments, testing and evaluating management's key accounting estimates for reasonableness and consistency and understanding and testing management incentive plans.

In light of this being our first year audit of the Group, we also performed specific procedures over opening balances by shadowing the prior year audit undertaken by the previous auditors, reviewing the predecessor auditor working papers in the UK and in each of the Group's significant territories and considering the key management judgements in the opening balance sheet at 1 October 2014.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	How our audit addressed the area of focus
Impairment of intangible assets and goodwill Refer to the Audit Committee report on pages 54 to 60 and to Notes 21 and 22 in the Consolidated Financial Statements. The Group had £908.7m of goodwill and a further £423.9m of intangible assets on the balance sheet at 30 September 2015. The carrying values of goodwill and intangibles are contingent on future cash flows of the underlying CGUs and there is a risk that if these cash flows do not meet the directors' expectations that the assets will be impaired. We focused our testing on those CGUs where headroom was limited or where the directors had identified an impairment. During the year the Group recognised an £18.5 million impairment charge within Euromoney in relation to goodwill for the Centre for Investor Education ("CIE") (£2.9 million), HedgeFund Intelligence ("HFI") (£4.8 million) and Mining Indaba (£10.7m). The directors' impairment reviews also identified limited headroom in NDR, Genscape and Xceligent. In addition we focused on intangible assets relating to RMS(one), as in 2014 the Group recognised an impairment of £45m as a result of the delay in the rollout of this new product. The carrying value of the RMS (One) asset is dependent on assumptions about future cash flows of RMS(one). The key assumptions we focused on were the expected release date of the new product, the rate of client uptake and the level of forecast revenues therefrom.	As part of our audit of the directors' impairment reviews (for both goodwill and intangibles) we evaluated future cash flow forecasts, and the process by which they were drawn up, including comparing them to the latest Board approved budgets, and testing the underlying calculations. For the impairment assessment of goodwill and intangibles we tested all key assumptions, including: • revenue and profit assumptions included within budgets and future forecasts, by considering the historical accuracy of budgets against actual results; • key assumptions for long term growth rates in the forecasts by comparing them to historical results, economic and industry forecasts, and comparable companies; • the discount rate by comparing the cost of capital for the Group with comparable organisations, and assessed the specific risk premium applied to the business in question; • and the directors' potential bias through performance of our own sensitivity analysis on key assumptions particularly those driving underlying cash flows. In addition, with regards to RMS(one) we met with relevant directors to obtain corroborative evidence of expected client uptake, such as Letters of Intent, and the progress of the trials with Joint Development Partners. We performed our own sensitivity analysis to understand the impact of reasonable changes in the key assumptions on the available headroom. We considered the need for additional sensitivity disclosures for CGUs with limited headroom as required by IAS 36 'Impairment of assets' and we agree with the directors' decision to provide these additional disclosures for NDR, Genscape and Xceligent. As a result of our work, we determined that the impairment charge recognised in 2015 was appropriate. For those assets where the directors determined that no impairment was required and that no additional sensitivity disclosures were necessary, we found that these judgements were supported by reasonable assumptions that would require significant downside changes before any additional material impairment was necessary.
Accounting for acquisitions and disposals Refer to the Audit Committee report on pages 54 to 60 and to Notes 17 and 18 in the Consolidated Financial Statements. The Group continues to make significant investment in business acquisitions. During the year the Group made a number of acquisitions including Elite Daily Inc, Petrotranz Inc, Starfish Retention Solutions Inc, Locus Energy Inc, and TreppPort Inc. IFRS 3 'Business combinations' requires the fair value of consideration paid to be allocated firstly to the fair value of net assets acquired, then to the fair value of separately identifiable intangible assets and finally to goodwill, which involves a number of estimates and judgements. The Group's acquisitions also include earn-out clauses and future rights or obligations to purchase an additional stake which may impact accounting judgments on initial recognition.	We read the minutes of the Investment and Finance Committee and inquired of the directors to identify acquisition and disposals during the year. For all material and complex transactions we obtained and read the sale and purchase agreements ("SPAs"). In testing acquisitions during the year we: • assessed the appropriateness of the directors' identification of intangible assets acquired by reviewing the SPAs to identify any assets listed, forming an independent expectation of the assets based on those in comparative companies and comparing the ratio of the value of goodwill acquired to the intangible assets to comparable transactions; • obtained the directors' calculation of the fair value of intangible assets acquired, and corroborated the appropriateness of the assumptions over royalty rates, levels of customer attrition, useful economic lives and forecast cash flows to external benchmarks, historical performance and the acquisition plans; and • verified the fair value of consideration paid of acquisitions, including any deferred or contingent element, to cash transactions and the SPAs.

GOVERNANCE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAILY MAIL AND GENERAL TRUST PLC
CONTINUED

Area of focus	How our audit addressed the area of focus
The Group continues to dispose of stakes in subsidiaries including Jobsite, Lewtan Technologies Inc. and the digital marketing business. The disposal of the digital marketing business included contingent consideration, the recognition and valuation of which can be judgemental. We focused our work on the acquisitions and disposals during the year with the largest value of purchase consideration and those where the terms were not straightforward. In particular we considered the acquisitions of a minority stake in Dealogic Holdings plc ("Dealogic"). In November 2014, Euromoney sold its investment in Capital NET and Capital DATA for combined consideration of £54.3 million, comprising £2.9 million of cash, £13.5 million of redeemable preference shares and a 15.5% minority stake in Dealogic Holdings plc ("Dealogic") valued at £37.8 million (together the "Dealogic transaction"). We focused on the key accounting judgements taken by management in relation to this transaction, namely: • That the disposal and subsequent acquisition had commercial substance, meaning that a gain on disposal should be recognised, restricted in proportion to the 15.5% stake acquired in accordance with IAS 28 'Investments in associates and joint ventures' ("IAS 28"); • That the investment in Dealogic should be accounted for as an associate on the basis of the group having significant influence; and • The calculation of the £48.4 million profit on disposal of Capital NET and Capital DATA.	In relation to the Dealogic transaction: • we obtained an understanding of the transaction to verify that it had commercial substance; • we obtained the calculation of the profit on disposal of Capital NET and Capital DATA; • we agreed that the valuation of the Dealogic shares contributed as part consideration for the investments in Capital NET and Capital DATA was comparable to the price paid to acquire the majority stake; • we considered the requirements of IAS 28 in circumstances where a non-monetary asset is exchanged for an equity interest in a new associate and the requirement to restrict any profit on disposal in proportion to the new equity stake obtained; and • we re-computed the directors' calculation for the element of profit restricted of £5.9 million with reference to the signed sale and purchase agreements and the group's equity stake in Dealogic. We also challenged the directors on the classification of the 15.5% equity stake in Dealogic as an associate and the extent to which the group is able to exert significant influence. We agreed the key terms of the transaction to the shareholders' agreement and articles of association, including shareholder voting rights of 20% and how these are enforceable, confirmed these facts with the company's external legal counsel and validated the directors' attendance and exercise of significant influence at board meetings. For disposals we agreed the assets and liabilities and the consideration received to the SPAs and cash receipts. Where, in our reading of SPAs, we identified clauses which give rise to future obligations, we assessed the recognition and fair value of assets or liabilities arising from these as well as their commercial substance. Based on the procedures performed, we concluded that the accounting for acquisitions and disposals was appropriate and in line with the requirements of IAS 28 and IFRS3.
Presentation of adjusted profit Refer to the Audit Committee report on pages 54 to 60 and to Note 13 in the Consolidated Financial Statements. The Group presents adjusted profit before taxation to enable users of the financial statements to gain a better understanding of the underlying results. The classification of items as non-trading or exceptional is an area of judgement and the appropriateness and consistency of the presentation of adjusted measures of performance are attracting increasing levels of scrutiny from the financial reporting regulators.	We have considered the appropriateness of the adjustments made to statutory profit before taxation to derive adjusted profit before tax. We have understood the rationale for classifying items as exceptional or non-trading and considered whether this is reasonable and consistent, in that it includes items that both increase and decrease the adjusted profit measure, and are in accordance with the Group's accounting policy. In particular we considered the appropriateness of those costs determined to be exceptional and, on the basis that they relate to a series of linked initiatives underpinning strategic changes, accept their treatment as such. We have also audited the reconciliation of adjusted profit to statutory profit in Note 13, and agreed all material adjustments to underlying accounting records and our audit work performed over other balances. We have determined that this rationale for including or excluding items from adjusted profit has been consistently applied across gains and losses, and provides a balanced view of the performance of the Group.

Area of focus	How our audit addressed the area of focus
Capitalisation of development costs Refer to the Audit Committee report on pages 54 to 60 and to Note 22 in the Consolidated Financial Statements. In the year ended 30 September 2015 £53.1m of internal costs were capitalised in relation to projects undertaken by the Group, primarily relating to the development of new computer software within the dmg information and RMS businesses. IAS 38 'Intangible assets' ("IAS 38") requires that the Group demonstrates that internal costs satisfy certain requirements to qualify for capitalisation some of which require the application of judgement. In our testing we focussed on the requirements that the Group has the ability to reliably measure the expenditure attributable to the intangible and that the Group has the intention and the ability to complete the asset.	We tested a sample of the internal costs capitalised in the year to determine whether they meet the criteria of IAS 38, agreeing the costs selected to supporting evidence such as invoices. Where these capitalised costs related to time spent by staff developing intangible assets, we also: • agreed salary costs capitalised to payroll records; and • verified time spent and the associated allocations to individual projects to timesheets or other supporting evidence. Based on our testing, we determined that the directors were able to reliably measure project costs. We considered the directors' intention and ability to complete the project by obtaining and assessing the business cases and current budgets for material intangible asset additions. We also assessed the consistency of the application of the Group's accounting policy across costs capitalised in the different operating divisions. We found that the Group's accounting policy for capitalisation of intangible assets was in accordance with the requirements of with IAS 38 and had been consistently applied.
Accounting for deferred taxation and uncertain tax positions Refer to the Audit Committee report on pages 54 to 60 and to Note 37 in the Consolidated Financial Statements. The recognition of deferred tax assets in respect of trading and non-trading tax losses in the Group is an area of focus due to the quantum of the losses and the requirement to make estimates of future taxable profits in determining the valuation of deferred tax assets. In addition the Group has some provisions for uncertain tax positions relating to both historic and current tax arrangements. The recognition and measurement of these items in the financial statements is judgemental, and we focussed on the directors' forecasts of future profits against which to utilise accumulated losses, and the technical interpretation of taxation law in respect to transactions giving rise to deferred tax assets and uncertain tax positions.	We involved our in-house tax specialists in our testing of the appropriateness of the estimates and judgements taken in relation to deferred taxation and in respect of uncertain tax positions recognised in the financial statements. In assessing the likelihood of the Group being able to generate sufficient future taxable profits against which to offset accumulated losses, we considered: • key inputs to the calculation including revenue and profit assumptions, in line with our work over the carrying value of goodwill and intangible assets; and • the directors' ability to accurately forecast future profits where the tax assets will not be recoverable in the foreseeable future. In understanding and evaluating the directors' technical interpretation of tax law in respect of specific transactions that gave rise to deferred tax assets we considered: • third party tax advice received by the Group; • the status of recent and current tax authority audits and enquiries; • the outturn of previous claims; • judgemental positions taken in tax returns and current year estimates; and • developments in the tax environment. From the evidence obtained, we consider the valuation of deferred tax assets and provisions for uncertain tax positions recognised to be supportable and the level of provisioning to be acceptable in the context of the Group financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAILY MAIL AND GENERAL TRUST PLC
CONTINUED

How we tailored the audit scope
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of head office and five operating divisions: RMS; dmg media; dmg information; dmg events; and Euromoney, each of which is considered to be a component. With the exception of RMS, each of these divisions consists of a portfolio of businesses with a central divisional finance function that prepares sub-consolidations of the division's results. In addition the Group receives results from a number of associates, one of which, Zoopla Property Group plc, we included in our Group audit scope.

Of the five divisions we identified three: dmg media; Euromoney; and RMS, which in our view required an audit of their complete financial information due to their size. In order to obtain sufficient and appropriate audit evidence over the Group as a whole we then considered the individual businesses within the remaining two divisions.

Within the dmg information division we identified three UK businesses (Searchflow Ltd; Landmark Information Group Ltd; and Quest End Computer Services Ltd), for which we perform statutory audits, and accelerated audit procedures to align with the Group audit timetable. In addition for four US businesses for which statutory audits are not required (Hobsons Inc; Trepp LLC; Environmental Data Resources Inc; and Genscape Inc), we conducted specified procedures over higher risk financial statement line items, including revenue, the accounting for acquisitions and disposals, capitalised development spend and impairment of goodwill and intangibles. Similarly within dmg events we accelerated audit procedures over the Dubai branches of two entities with statutory audit requirements: dmg World Media Dubai 2006 Ltd; and dmg World Media Abu Dhabi Ltd, to align with the Group audit timetable.

For the audit of Zoopla Property Group plc we received an audit opinion from Deloitte LLP, who are Zoopla's auditors, and performed additional procedures to calculate the Group's share of these results.

Taken together, the components where we performed audit work accounted for 86% of Group revenue and 82% of adjusted profit before taxation.

We sent detailed instructions to all component audit teams, which included communication of the areas of focus above and other required communications. In addition, regular meetings were held with the UK and overseas audit teams and members of the Group audit team visited our US and UK component audit teams.

This, together with additional procedures performed at the Group level (including audit procedures over material head office entities and consolidation adjustments), gave us the evidence we needed for our opinion on the Group financial statements as a whole.

Materiality
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Group materiality	£11.0 million
How we determined it	4% of adjusted profit before taxation.
Rationale for benchmark applied	The Group is profit oriented. Adjusted profit before taxation is the adjusted performance measure that is reported to investors and shareholders and is the measure which the directors consider best represents the underlying performance of the Group. Due to the inherent judgement in classification of certain items as non-trading, and therefore non-underlying, we have applied a 4% rule of thumb, which is lower than the 5% suggested by ISAs (UK&I) for the audit of profit-oriented entities.
Component materiality	For each component in our audit scope, we allocate a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £0.5 million and £7.5 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.5 million as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern
The directors have voluntarily complied with Listing Rule 9.8.6(R)(3)(a) of the Financial Conduct Authority and provided a statement in relation to going concern, set out on page 81, required for companies with a premium listing on the London Stock Exchange. The directors have requested that we review the statement on going concern as if the parent Company were a premium listed Company. We have nothing to report having performed our review.

The directors have chosen to voluntarily report how they have applied the UK Corporate Governance Code (the "Code"), as if the parent Company were a premium listed company.
Under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to the directors' statement about whether they considered it appropriate to adopt the going concern basis in preparing the financial statements.
We have nothing material to add or to draw attention to.

As noted in the directors' statement, the directors have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements. The going concern basis presumes that the group and company have adequate resources to remain in operation, and that the directors intend them to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate.

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

Other required reporting

Consistency of other information

Companies Act 2006 opinion
In our opinion, 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.

ISAs (UK & Ireland) reporting

As a result of the directors' voluntary reporting on how they have applied the Code under ISAs (UK & 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 and parent Company acquired in the course of performing our audit; or – otherwise misleading.	We have no exceptions to report.
• the statement given by the directors on page 53, in accordance with provision C.1.1 of the Code, that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's and parent Company's performance, business model and strategy is materially inconsistent with our knowledge of the Group and parent Company acquired in the course of performing our audit.	We have no exceptions to report.
• the section of the Annual Report on page 56, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report.

The directors' assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group

As a result of the directors' voluntary reporting on how they have applied the Code, under ISAs (UK & Ireland) we are required to report to you if we have anything material to add or to draw attention to in relation to:	
• the directors' confirmation in the Annual Report, in accordance with provision C.2.1 of the Code, that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.	We have nothing material to add or to draw attention to.
• the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.	We have nothing material to add or to draw attention to.
• the directors' explanation in the Annual Report, in accordance with provision C.2.2 of the Code, as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	We have nothing material to add or to draw attention to.

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' remuneration report – Companies Act 2006 opinion

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

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Other voluntary reporting

The directors' assessment of the prospects of the Group and of the principal risks that would threaten the solvency or liquidity of the Group

The directors have voluntarily complied with Listing Rule 9.8.6(R)(3)(b) of the Financial Conduct Authority and provided a statement that they have carried out a robust assessment of the principal risks facing the Group and a statement in relation to the longer-term viability of the Group, set out on page 53. The Directors have requested that we review these statements as if the parent Company were a premium listed company. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the Code; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

Corporate governance statement

The directors have requested that we review the parts of the Corporate Governance Statement relating to the parent Company's compliance with ten further provisions of the Code specified for auditor review by the Listing Rules of the Financial Conduct Authority as if the parent Company were a premium listed company. We have nothing to report having performed our review.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities set out on page 81, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Neil Grimes (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants
and Statutory Auditors
London
8 December 2015

CONSOLIDATED INCOME STATEMENT

For the year ended 30 September 2015

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
CONTINUING OPERATIONS			
Revenue	3	**1,842.7**	1,811.2
Adjusted operating profit	3 (i)	**287.0**	296.2
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property	3	**(22.5)**	(71.9)
Amortisation and impairment of acquired intangible assets arising on business combinations and impairment of goodwill	3, 21, 22	**(57.7)**	(40.3)
Operating profit before share of results of joint ventures and associates	4	**206.8**	184.0
Share of results of joint ventures and associates	7	**11.3**	14.3
Total operating profit		**218.1**	198.3
Other gains and losses	8	**82.4**	138.9
Profit before investment revenue, net finance costs and tax		**300.5**	337.2
Investment revenue	9	**4.0**	10.1
Net finance costs	10	**(88.4)**	(80.3)
Profit before tax		**216.1**	267.0
Tax	11	**(20.8)**	(18.3)
Profit after tax from continuing operations		**195.3**	248.7
DISCONTINUED OPERATIONS	19		
Profit from discontinued operations		**50.0**	34.3
PROFIT FOR THE YEAR		**245.3**	283.0
Attributable to:			
Owners of the Company	39	**216.6**	262.9
Non-controlling interests*	40	**28.7**	20.1
Profit for the year		**245.3**	283.0
Earnings per share	14		
From continuing operations			
Basic		**46.2p**	61.4p
Diluted		**45.4p**	60.2p
From discontinued operations			
Basic		**13.9p**	9.2p
Diluted		**13.6p**	9.1p
From continuing and discontinued operations			
Basic		**60.1p**	70.6p
Diluted		**59.0p**	69.3p
Adjusted earnings per share			
Basic		**59.7p**	55.7p
Diluted		**58.7p**	54.6p

* All attributable to continuing operations.

Adjusted operating profit is defined as total operating profit before share of results of joint ventures and associates, exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations and impairment of property, plant and equipment, and investment property.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2015

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Profit for the year		**245.3**	283.0
Items that will not be reclassified to Consolidated Income Statement			
Actuarial gain/(loss) on defined benefit pension schemes	35, 39, 40	**10.3**	(49.9)
Tax relating to items that will not be reclassified to Consolidated Income Statement		**(2.1)**	9.9
Total items that will not be reclassified to Consolidated Income Statement		**8.2**	(40.0)
Items that may be reclassified subsequently to Consolidated Income Statement			
(Losses)/gains on hedges of net investments in foreign operations	39, 40	**(21.4)**	1.8
Cash flow hedges:			
Losses arising during the year	39, 40	**(5.0)**	(1.6)
Transfer of loss on cash flow hedges from translation reserve to Consolidated Income Statement	39, 40	**1.3**	1.2
Translation reserves recycled to Consolidated Income Statement on disposals	18, 39	**(2.1)**	(1.9)
Foreign exchange differences on translation of foreign operations	39, 40	**27.5**	12.4
Tax relating to items that may be reclassified to Consolidated Income Statement		**0.6**	–
Total items that may be reclassified subsequently to Consolidated Income Statement		**0.9**	11.9
Other comprehensive income/(expense) for the year		**9.1**	(28.1)
Total comprehensive income for the year		**254.4**	254.9
Attributable to:			
Owners of the Company		**221.4**	237.8
Non-controlling interests		**33.0**	17.1
		254.4	254.9

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2015

	Called-up share capital £m	Share premium account £m	Capital redemption reserve £m	Own shares £m	Translation reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
At 30 September 2013	**49.2**	**16.3**	**1.1**	**(116.6)**	**(37.0)**	**310.1**	**223.1**	**113.6**	**336.7**
Profit for the year	–	–	–	–	–	262.9	262.9	20.1	283.0
Other comprehensive (expense)/income for the year	–	–	–	–	14.3	(39.4)	(25.1)	(3.0)	(28.1)
Total comprehensive income for the year	–	–	–	–	14.3	223.5	237.8	17.1	254.9
Issue of share capital	–	1.5	–	–	–	–	1.5	0.8	2.3
Expenses incurred in relation to scheme of arrangement	–	–	–	–	–	0.2	0.2	–	0.2
Dividends	–	–	–	–	–	(72.8)	(72.8)	(9.7)	(82.5)
Own shares acquired in the year	–	–	–	(105.9)	–	–	(105.9)	(6.9)	(112.8)
Financial liability for closed period purchases	–	–	–	(20.0)	–	–	(20.0)	–	(20.0)
Own shares transferred on exercise of share options	–	–	–	23.4	–	–	23.4	–	23.4
Exercise of acquisition put option commitments	–	–	–	–	–	0.1	0.1	(0.1)	–
Other transactions with non-controlling interests	–	–	–	–	–	–	–	0.2	0.2
Adjustment to equity following increased stake in controlled entity	–	–	–	–	–	2.3	2.3	(2.3)	–
Adjustment to equity following decreased stake in controlled entity	–	–	–	–	–	(2.9)	(2.9)	2.9	–
Credit to equity for share-based payments	–	–	–	–	–	9.6	9.6	0.7	10.3
Settlement of exercised share options of subsidiaries	–	–	–	–	–	(5.7)	(5.7)	–	(5.7)
Initial recording of put options granted to non-controlling interests in subsidiaries	–	–	–	–	–	(19.6)	(19.6)	–	(19.6)
Non-controlling interest recognised on acquisition	–	–	–	–	–	–	–	0.9	0.9
Corporation tax on share-based payments						1.8	1.8	0.9	2.7
Deferred tax on other items recognised in equity	–	–	–	–	–	(0.1)	(0.1)	(0.3)	(0.4)
At 30 September 2014	**49.2**	**17.8**	**1.1**	**(219.1)**	**(22.7)**	**446.5**	**272.8**	**117.8**	**390.6**
Profit for the year	–	–	–	–	–	216.6	216.6	28.7	245.3
Other comprehensive income/(expense) for the year	–	–	–	–	(3.2)	8.0	4.8	4.3	9.1
Total comprehensive income/(expense) for the year	–	–	–	–	(3.2)	224.6	221.4	33.0	254.4
Cancellation of A Ordinary Shares	(3.8)	–	3.8	217.2	–	(217.2)	–	–	–
Issue of share capital	–	–	–	–	–	–	–	0.8	0.8
Dividends	–	–	–	–	–	(75.0)	(75.0)	(9.8)	(84.8)
Own shares acquired in the year	–	–	–	(127.1)	–	–	(127.1)	–	(127.1)
Movement in financial liability for closed period purchases	–	–	–	20.0	–	–	20.0	–	20.0
Own shares transferred on exercise of share options	–	–	–	32.7	–	–	32.7	–	32.7
Exercise of acquisition put option commitments	–	–	–	–	–	0.7	0.7	(0.7)	–
Other transactions with non-controlling interests	–	–	–	–	–	–	–	(0.6)	(0.6)
Adjustment to equity following increased stake in controlled entity	–	–	–	–	–	(5.9)	(5.9)	5.9	–
Adjustment to equity following decreased stake in controlled entity	–	–	–	–	–	(0.2)	(0.2)	0.2	–
Credit to equity for share-based payments	–	–	–	–	–	17.9	17.9	(0.6)	17.3
Settlement of exercised share options of subsidiaries	–	–	–	–	–	(33.5)	(33.5)	–	(33.5)
Initial recording of put options granted to non-controlling interests in subsidiaries	–	–	–	–	–	(20.5)	(20.5)	–	(20.5)
Non-controlling interest recognised on acquisition	–	–	–	–	–	–	–	9.1	9.1
Deferred tax on other items recognised in equity	–	–	–	–	–	1.6	1.6	(0.2)	1.4
At 30 September 2015	**45.4**	**17.8**	**4.9**	**(76.3)**	**(25.9)**	**339.0**	**304.9**	**154.9**	**459.8**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015

	Note	At 30 September 2015 £m	At 30 September 2014 £m
ASSETS			
Non-current assets			
Goodwill	21	**908.7**	764.6
Other intangible assets	22	**423.9**	360.7
Property, plant and equipment	23	**181.1**	197.7
Investment property	24	**–**	4.3
Investments in joint ventures	25	**1.3**	0.5
Investments in associates	25	**141.9**	138.6
Available-for-sale investments	26	**13.8**	6.8
Trade and other receivables	28	**15.2**	6.8
Derivative financial assets	34	**19.7**	20.0
Retirement benefit assets	35	**27.7**	6.4
Deferred tax assets	37	**168.1**	180.4
		1,901.4	1,686.8
Current assets			
Inventories	27	**31.4**	23.9
Trade and other receivables	28	**322.2**	276.6
Current tax receivable	31	**7.4**	9.4
Derivative financial assets	34	**1.3**	2.9
Cash and cash equivalents	29	**31.6**	28.5
Total assets of businesses held-for-sale	20	**28.7**	75.5
		422.6	416.8
Total assets		**2,324.0**	2,103.6
LIABILITIES			
Current liabilities			
Trade and other payables	30	**(699.3)**	(647.1)
Current tax payable	31	**(18.9)**	(12.4)
Acquisition put option commitments	32	**–**	(2.1)
Borrowings	33	**(3.4)**	(156.3)
Derivative financial liabilities	34	**(5.3)**	(4.1)
Provisions	36	**(53.2)**	(82.5)
Total liabilities of businesses held-for-sale	20	**(5.7)**	(23.4)
		(785.8)	(927.9)
Non-current liabilities			
Trade and other payables	30	**(4.2)**	(1.9)
Acquisition put option commitments	32	**(51.2)**	(32.2)
Borrowings	33	**(727.1)**	(475.7)
Derivative financial liabilities	34	**(23.8)**	(13.9)
Retirement benefit obligations	35	**(187.0)**	(218.2)
Provisions	36	**(61.0)**	(22.0)
Deferred tax liabilities	37	**(24.1)**	(21.2)
		(1,078.4)	(785.1)
Total liabilities		**(1,864.2)**	(1,713.0)
Net assets		**459.8**	390.6

At 30 September 2015

	Note	At 30 September 2015 £m	At 30 September 2014 £m
SHAREHOLDERS' EQUITY			
Called-up share capital	38	**45.4**	49.2
Share premium account	39	**17.8**	17.8
Share capital		**63.2**	67.0
Capital redemption reserve	39	**4.9**	1.1
Own shares	39	**(76.3)**	(219.1)
Translation reserve	39	**(25.9)**	(22.7)
Retained earnings	39	**339.0**	446.5
Equity attributable to owners of the Company		**304.9**	272.8
Non-controlling interests	40	**154.9**	117.8
		459.8	390.6

The financial statements of DMGT plc (Company number 184594) on pages 91 to 184 were approved by the Directors and authorised for issue on 8 December 2015. They were signed on their behalf by:

The Viscount Rothermere
M W H Morgan
Directors

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 September 2015

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Cash generated by operations	15	**281.3**	242.5
Taxation paid		**(25.0)**	(27.3)
Taxation received		**3.4**	3.2
Net cash from operating activities		**259.7**	218.4
Investing activities			
Interest received		**1.0**	2.3
Dividends received from joint ventures and associates	25	**26.6**	25.2
Dividends received from available-for-sale investments	9	**3.1**	9.4
Purchase of property, plant and equipment	23	**(28.7)**	(29.4)
Expenditure on internally generated intangible fixed assets	22	**(53.1)**	(71.8)
Expenditure on other intangible assets	22	**(3.4)**	(4.6)
Purchase of available-for-sale investments	26	**(11.3)**	(4.1)
Proceeds on disposal of property, plant and equipment and investment property		**19.0**	12.5
Purchase of subsidiaries	17	**(95.0)**	(146.8)
Proceeds from disposal of non-controlling interests		**–**	0.2
Treasury derivative activities		**(8.5)**	15.0
Investment in joint ventures and associates	25	**(14.9)**	(20.5)
Loans advanced to joint ventures and associates		**(2.5)**	(1.6)
Loans to joint ventures and associates repaid		**–**	0.1
Proceeds on disposal of businesses	18	**113.4**	62.3
Proceeds on disposal of joint ventures and associates	8, 25	**10.1**	177.8
Net cash (used in)/generated by investing activities		**(44.2)**	26.0
Financing activities			
Purchase of additional interests in controlled entities	17	**(0.2)**	(0.4)
Equity dividends paid	12, 39	**(75.0)**	(72.8)
Dividends paid to non-controlling interests	40	**(9.8)**	(9.7)
Issue of share capital	38, 39	**–**	1.5
Issue of shares by Group companies to non-controlling interests	40	**0.8**	0.8
Purchase of own shares	39	**(127.1)**	(91.3)
Purchase of own shares in Euromoney	39, 40	**–**	(21.5)
Net (payment)/receipt on (settlement)/exercise of subsidiary share options		**(0.7)**	17.7
Interest paid		**(40.9)**	(55.5)
Premium on redemption of bonds	10, 16, 33	**(39.9)**	(24.4)
Bonds redeemed	10, 16, 33	**(153.2)**	(106.7)
Loan notes repaid	16	**(0.5)**	(1.7)
Increase in bank borrowings	16	**234.3**	61.3
Net cash used in financing activities		**(212.2)**	(302.7)
Net increase/(decrease) in cash and cash equivalents	16	**3.3**	(58.3)
Cash and cash equivalents at beginning of year	29	**29.0**	88.5
Exchange loss on cash and cash equivalents	16	**(0.8)**	(1.2)
Net cash and cash equivalents at end of year	29	**31.5**	29.0

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 195.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and related IFRS IC interpretations 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 ended 30 September 2015.

Other than the Daily Mail, The Mail on Sunday, Metro and Wowcher businesses, the Group prepares accounts for a year ending on 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.

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 certain financial instruments which are held at fair value through profit or loss.

All amounts presented have been rounded to the nearest £0.1 million.

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 Review, and the Strategic Report.

As highlighted in Notes 33 and 34 to the Accounts, the Company has long-term financing in the form of bonds and meets its day-to-day working capital requirements through bank facilities which expire in March 2019. The 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. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

2 Significant accounting policies

The following new and amended IFRSs have been adopted during the year:

- Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The above amendment has not had any significant impact on the Group's financial statements.

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for the Group's accounting periods beginning on or after 1 October 2015. These new pronouncements are listed below:

- Amendment to IAS 19, Defined Benefit Plans: Employee Contributions (effective 1 February 2015)*
- Annual Improvements 2010–2012 and 2011–2013 cycles (effective 1 February 2015)*
- Amendments to IFRS 11, Accounting for Acquisitions of Interests in Joint Operations (effective 1 January 2016)*
- Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortisation (effective 1 January 2016)*
- Amendments to IFRS 10, and IAS 28, Accounting for the sale or contribution of assets between an investor and its associate or joint venture (effective 1 January 2016)*
- Annual improvements 2012–2014 (effective 1 January 2016)*
- IFRS 15, Revenue from Contracts with Customers (effective 1 January 2018)*
- IFRS 9, Financial Instruments (effective 1 January 2018)*

* Not yet endorsed for use in the EU.

The adoption of these standards, amendments and interpretations is not expected to have a material impact on the Group's financial statements.

2 Significant accounting policies continued

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 the consideration for an acquisition includes any asset or liability resulting from a contingent arrangement, this is measured at its discounted fair value on the acquisition date. Subsequent changes in such fair values are adjusted through the Consolidated Income Statement in Financing. 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.

Put options granted to non-controlling interests are recorded at present value as a reduction in equity on initial recognition, as the arrangement represents a transaction with equity holders. Changes in value after initial recognition are recorded in the Consolidated Income Statement in Financing.

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.

Contingent consideration receivable

Where the consideration for a disposal includes consideration resulting from a contingent arrangement, the contingent consideration receivable is discounted to its fair value, with any subsequent movement in fair value being recorded in the Consolidated Income Statement in Financing.

Discontinued operations

The Group presents the results from discontinued operations separately from those of continuing operations. An operation is classed as discontinued if it has been, or is in the process of being disposed and represents either a separate major line of business or a geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or exit a major geographical area of operations.

Assets and liabilities of businesses held-for-sale

An asset or disposal group is classified as held-for-sale if its carrying amount is intended to be recovered principally through sale rather than continuing use, is available for immediate sale and is highly probable that the sale will be completed within 12 months of classification as held-for-sale. Assets classified as held-for-sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment is recognised in the Consolidated Income Statement and is first allocated to the goodwill associated with the disposal group and then to the remaining assets and liabilities on a pro rata basis. No further depreciation or amortisation is charged on non-current assets classified as held-for-sale from the date of classification.

Accounting for subsidiaries

A subsidiary is an entity controlled by the Group. Control is achieved where the Group has power over an investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the returns.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement from the effective date control is obtained or up to the date control is relinquished, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein, either at fair value or at the non-controlling interest's share of the net assets of the subsidiary, on a case-by-case basis. The total comprehensive income of a subsidiary is apportioned between the Group and the non-controlling interest, even if it results in a deficit balance for the non-controlling interest.

Interests in joint ventures and associates

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is, when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The post-tax results of joint ventures and associates are incorporated in the Group's results using the equity method of accounting. Under the equity method, investments in joint ventures and associates are carried in the Consolidated Statement of Financial Position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture and associate, less any impairment in the value of investment. Losses of joint ventures and associates in excess of the of the Group's interest in that joint venture or associate are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture or associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment.

Foreign currencies

For the purpose of presenting consolidated financial statements, the assets and liabilities of entities with a functional currency other than sterling are translated into sterling using exchange rates prevailing on the period end date. Income and expense items and cash flows are translated at the average exchange rates for the period and exchange differences arising are recognised directly in equity. On disposal of a foreign operation, the cumulative amount recognised in equity relating to that operation is recognised in the Consolidated Income Statement as part of the gain or loss on sale.

The Group records foreign exchange differences arising on retranslation of foreign operations within the translation reserve in equity.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the exchange rate prevailing on the date of the transaction. At each period end date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the period end date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Consolidated Income Statement for the period.

Goodwill, intangible assets and fair value adjustments arising on the acquisition of foreign operations after transition to IFRS are treated as part of the assets and liabilities of the foreign operation and are translated at the closing rate. Goodwill which arose pre-transition to IFRS is not translated.

In respect of all foreign operations, any cumulative exchange differences that have arisen before 4 October 2004, the date of transition to IFRS, were reset to £nil and will be excluded from the determination of any subsequent profit or loss on disposal.

2 Significant accounting policies continued

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.

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.

Impairment of goodwill

The Group tests goodwill annually for impairment, or more frequently if there are indicators that goodwill might be impaired. The Group has no other 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 the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit, prorated on the basis of the carrying amount of each asset in the unit, but subject to not reducing any asset below its recoverable amount. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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 Board-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 11.9% to 19.2% (2014 9.5% to 17.2%) the choice of rates depending on the risks specific to that CGU. The Directors' estimate of the Group's weighted average cost of capital is 9.5% (2014 8.5%). The cash flow projections consist of Board-approved budgets for the following year, together with forecasts for up to eight additional years and nominal long-term growth rates beyond these periods. The nominal long-term growth rates range between 2.0% and 7.0% (2014 0.0% 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 the CGU 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, such development expenditure is charged to the Consolidated Income Statement in the period in which it is 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 programs are recognised as an expense as incurred.

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, mastheads and titles	5 – 30 years
Brands	3 – 20 years
Market- and customer-related databases and customer relationships	3 – 20 years
Computer software	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.

Plant 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	

2 Significant accounting policies continued

Investment property

The Group transfers property from property, plant and equipment to investment property when owner occupation ends. Investment properties are stated in the Consolidated Statement of Financial Position at their cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is charged so as to write off the cost of these assets, using the straight-line method, over their estimated useful lives as follows:

Freehold buildings and long leasehold properties	50 years
Depreciation is not provided on freehold land	

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The Group uses the Average Cost method in the dmg media segment for newsprint and the First In First Out method for all other inventories.

Exhibitions, training and event costs

Directly attributable costs relating to future exhibitions, training and events are deferred within work in progress and measured at the lower of cost and net realisable value. These costs are charged to the Consolidated Income Statement when the exhibition, training or event takes place.

Prepublication costs

Prepublication 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. These are recognised in the Consolidated Income Statement on publication.

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

Revenue is stated at the fair value of consideration, net of value added tax, trade discounts and commission where applicable and is recognised using methods appropriate for the Group's businesses. Where revenue contracts have multiple elements (such as software licences, data subscriptions and support), all aspects of the transaction are considered to determine whether these elements can be separately identified. Where transaction elements can be separately identified and revenue can be allocated between them on a fair and reliable basis, revenue for each element is accounted for according to the relevant policy below. Where transaction elements cannot be separately identified, revenue is recognised over the contract period.

The principal revenue recognition policies, as applied by the Group's major businesses, are as follows:

- subscriptions revenue, including revenue from information services, is recognised over the period of the subscription or contract;
- publishing and circulation revenue is recognised on issue of the publication or report;
- advertising revenue is recognised on issue of the 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 is allocated on a fair and reliable basis;
- support revenue associated with software licences and subscriptions is recognised over the term of the support contract; and
- long-term contract revenue is recognised using the percentage of completion method according to the percentage of work completed at the period end date.

Adjusted operating profit

Adjusted operating profit is defined as total operating profit before share of results of joint ventures and associates, exceptional operating costs, impairment of goodwill and intangible assets, amortisation of acquired intangible assets arising on business combinations and impairment of property, plant and equipment and investment property.

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.

EBITDA
The Group discloses EBITDA, being adjusted operating profit before depreciation of property, plant and equipment and investment property. EBITDA is broadly used by analysts, rating agencies, investors and the Group's banks as part of their assessment of the Group's performance. A reconciliation of EBITDA from operating profit is shown in Note 15 and the ratio of net debt to EBITDA is disclosed in Note 34.

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
Pension scheme assets are measured at market value at the period end date. Scheme liabilities are measured using the projected unit credit method and discounted at a rate reflecting current yields on high-quality corporate bonds having regard to the duration of the liability profiles of the schemes.

For defined benefit retirement plans, the difference between the fair value of the plan assets and the present value of the plan liabilities is recognised as an asset or liability on the Consolidated Statement of Financial Position. Actuarial gains and losses arising in the year are taken to the Consolidated Statement of Comprehensive Income. For this purpose, actuarial gains and losses comprise both the effects of changes in actuarial assumptions and experience adjustments arising because of differences between the previous actuarial assumptions and what has actually occurred. For defined benefit schemes, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out triennially. In accordance with the advice of independent qualified actuaries in assessing whether to recognise a surplus, the Group has regard to the principles set out in IFRIC 14.

Other movements in the net surplus or deficit are recognised in the Consolidated Income Statement, including the current service cost, any past service cost and the effect of any curtailment or settlements. The interest cost less the expected return on assets is also charged to the Consolidated Income Statement within net finance costs.

Since the assets and liabilities of the Group's defined benefit plans cannot be allocated to individual entities on a fair and reasonable basis, the scheme's assets and liabilities are not attributed to reporting segments and the pension charge in each segment in the segmental analysis represents the contributions payable for the period.

The Group's contributions to defined contribution pension plans are charged to the Consolidated Income Statement as they fall due.

Taxation
Income tax expense represents the sum of current tax and deferred tax for the year.

The current tax payable or recoverable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the Consolidated Income Statement because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's liability for current tax is calculated using the UK and foreign tax rates that have been enacted or substantively enacted by the period end date.

Current tax assets and liabilities are set off and stated net in the Consolidated Statement of Financial Position when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same taxation authority or on the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

2 Significant accounting policies continued

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 is reduced or increased as appropriate 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, or it becomes probable that sufficient taxable profits will be available.

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 derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are measured at fair value, including transaction costs.

Investments are classified as either fair value through profit or loss or available-for-sale. Where securities are held-for-trading purposes, gains and losses arising from changes in fair value are included in net profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

The fair value of listed securities is determined based on quoted market prices. Unlisted securities are recorded at cost less provision for impairment, as since there is no active market upon which they are traded, their fair values cannot be reliably measured. The recoverable amount is determined by discounting future cash flows to present value using market interest rates.

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.

De-recognition

The Group de-recognises a financial asset, or a portion of a financial asset, from the Consolidated Statement of Financial Position where the contractual rights to cash flows from the asset have expired, or have been transferred, usually by sale, and with them either substantially all the risks and rewards of the asset or significant risks and rewards, along with the unconditional ability to sell or pledge the asset.

Financial liabilities are derecognised when the liability has been settled, has expired or has been extinguished.

Derivative financial instruments and hedge accounting

Derivative financial instruments are used to manage exposure to market risks. The principal derivative instruments used by the Group are foreign currency swaps, interest rate swaps, foreign exchange forward contracts and options. The Group does not hold or issue derivative financial instruments for trading or speculative purposes.

Changes in the fair value of derivative instruments which do not qualify for hedge accounting are recognised immediately in the Consolidated Income Statement.

Where the derivative instruments do qualify for hedge accounting, the following treatments are applied:

Fair value hedges

Changes in the fair value of the hedging instrument are recognised in the Consolidated 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.

Cash flow hedges

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.

Net investment hedges

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.

2 Significant accounting policies continued

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.

Investment in own shares

Treasury Shares

Where the Company purchases its equity share capital as Treasury Shares, the consideration paid, including any directly attributable incremental costs (net of income taxes) is recorded as a deduction from shareholders' equity until such shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to retained earnings.

Employee Benefit Trust

The Company has established an Employee Benefit Trust (EBT) for the purpose of purchasing shares in order to satisfy outstanding share options and potential awards under long-term incentive plans. The assets of the Trust comprise shares in DMGT plc and cash balances. The Trust is administered by independent trustees and its assets are held separately from those of the Group. The Group bears the major risks and rewards of the assets held by the EBT until the shares vest unconditionally with employees. The Group recognises the assets and liabilities of the Trust in the consolidated financial statements and shares held by the Trust are recorded at cost as a deduction from shareholders' equity. Consideration received for the sale of shares held by the Trust is recognised in equity, with any difference between the proceeds from the sale and the original cost being taken to retained earnings.

Critical accounting judgements and key sources of estimation uncertainty

In addition to the judgement taken by management in selecting and applying the accounting policies set out above, management has made the following judgements concerning the amounts recognised in the consolidated financial statements:

Forecasting

The Group prepares medium-term forecasts based on Board-approved budgets and three-year outlooks. In very limited circumstances, outlooks of up to eight years have been used. 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 an intangible asset should be recorded requires a comparison of the balance sheet carrying value with the asset's recoverable amount. The recoverable amount is the higher of the value in use and fair value less costs to sell.

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 21). The carrying amount of goodwill and intangible assets at the period end date was £1,332.6 million (2014 £1,125.3 million) after a net impairment charge of £18.5 million (2014 £64.7 million) was recognised during the year (Notes 21 and 22).

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, to be used. The Group recognises intangible assets acquired as part of a business combination at fair value at the date of the acquisition. The determination of these fair values is based upon management's judgement and includes assumptions on the timing and amount of future cash flows generated by the assets and the selection of an appropriate discount rate. Additionally, management must estimate the expected useful economic lives of intangible assets and charge amortisation on these assets accordingly.

Contingent consideration payable
Estimates are required in respect of the amount of contingent consideration payable on acquisitions, which is determined according to formulae agreed at the time of the business combination, and normally related to the future earnings of the acquired business. The Directors review the amount of contingent consideration likely to become payable at each period end date, the major assumption being the level of future profits of the acquired business. The Group has made a provision for outstanding contingent consideration payable amounting to £54.3 million (2014 £20.2 million).

Contingent consideration receivable
Estimates are required in respect of the amount of contingent consideration receivable on disposals, which is determined according to formulae agreed at the time of the disposal and is normally related to the future earnings of the disposed business. The Directors review the amount of contingent consideration likely to be receivable at each period end date, the major assumption being the level of future profits of the disposed business. The Group has outstanding contingent consideration receivable amounting to £2.3 million (2014 £2.7 million). During the year the Group received £0.2 million (2014 £0.3 million) of previously unrecognised contingent consideration.

Contract discount and rebate provisions
The dmg media segment enters into agreements with advertising agencies and certain clients, which are subject to a minimum spend and typically include a commitment to deliver rebates to the agency or client based on the level of agency spend over the contract period. These rebates can take the form of free advertising space, cash payments or both. The rebate provision is calculated using the forecast spend over the contract period and rebate entitlement set out in the trading agreement. Calculating the required provision therefore requires an estimate of future period spend in determining what tier of spend the agencies may reach over the agreement. At the year end the Group has contract discount and rebate provisions amounting to £25.6 million (2014 £26.2 million).

Adjusted profit before tax
The Group presents adjusted earnings by making adjustments for costs and profits which management believes to be exceptional in nature by virtue of their size or incidence or have a distortive effect on current year earnings. Such items would include costs associated with business combinations, one-off gains and losses on disposal of businesses, properties, finance costs and similar items of a non-recurring nature together with reorganisation costs and similar charges, tax and by adding back impairment of goodwill and amortisation and impairment of intangible assets arising on business combinations. See Note 13 for a reconciliation of profit before tax to adjusted profit.

Share-based payments
The Group makes share-based payments to certain employees. These payments are measured at their estimated fair value at the date of grant, calculated using an appropriate option pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of the number of shares that will eventually vest. The key assumptions used in calculating the fair value of the options are the discount rate, the Group's share price volatility, dividend yield, risk-free rate of return, and expected option lives. Management regularly performs a true-up of the estimate of the number of shares that are expected to vest; this is dependent on the anticipated number of leavers. See Note 42 for further detail.

Taxation
Being a multinational Group with tax affairs in many geographic locations inherently leads to a highly complex tax structure which makes the degree of estimation and judgement more challenging. The resolution of issues is not always within the control of the Group and is often dependent on the efficiency of legal processes. Such issues can take several years to resolve. The Group accounts for unresolved issues based on its best estimate of the final outcome, however, the inherent uncertainty regarding these items means that the eventual resolution could differ significantly from the accounting estimates and, therefore, impact the Group's results and future cash flows. As described above, the Group makes estimates regarding the recoverability of deferred tax assets relating to losses based on forecasts of future taxable profits which are, by their nature, uncertain.

Retirement benefit obligations
The cost of defined benefit pension plans is determined using actuarial valuations prepared by the Group's actuaries. This involves making certain assumptions concerning discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. The assumptions and the resulting estimates are reviewed annually and, when appropriate, changes are made which affect the actuarial valuations and, hence, the amount of retirement benefit expense recognised in the Consolidated Income Statement and the amounts of actuarial gains and losses recognised in the Consolidated Statement of Changes in Equity. The carrying amount of the retirement benefit obligation at 30 September 2015 was a deficit of £159.3 million (2014 £211.8 million). Further details are given in Note 35.

3 Segment analysis

The Group's business activities are split into five operating divisions: RMS; dmg information; dmg events; Euromoney; and dmg 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 of acquired intangible assets arising on business combinations, 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.

The accounting policies applied in preparing the management information for each of the reportable segments are the same as the Group's accounting policies described in Note 2.

Inter-segment sales are charged at prevailing market prices.

Year ended 30 September 2015	Note	External revenue £m	Inter-segment revenue £m	Total revenue £m	Segment result £m	Less operating profit/(loss) of joint ventures and associates £m	Adjusted operating profit £m
RMS		186.7	0.8	187.5	26.2	(0.3)	26.5
dmg information		429.9	–	429.9	74.4	(0.2)	74.6
dmg events		94.5	–	94.5	20.2	–	20.2
Euromoney		403.4	–	403.4	110.6	3.9	106.7
dmg media		730.9	–	730.9	125.2	29.1	96.1
		1,845.4	0.8	1,846.2	356.6	32.5	324.1
Corporate costs	(i)						(36.0)
Discontinued operations	19, (ii)	(2.7)					(1.1)
		1,842.7					
Adjusted operating profit							**287.0**
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property							(22.5)
Impairment of goodwill and acquired intangible assets arising on business combinations	21, 22						(18.5)
Amortisation of acquired intangible assets arising on business combinations	22						(39.2)
Operating profit before share of results of joint ventures and associates							**206.8**
Share of results of joint ventures and associates	7						11.3
Total operating profit							**218.1**
Other gains and losses	8						82.4
Profit before investment revenue, net finance costs and tax							**300.5**
Investment revenue	9						4.0
Net finance costs	10						(88.4)
Profit before tax							**216.1**
Tax	11						(20.8)
Profit from discontinued operations	19						50.0
Profit for the year							**245.3**

Adjusted operating profit within the dmg media segment comprised £116.4 million from newspapers and a loss of £20.3 million from digital assets.

(i) 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 (Revised), Employee Benefits.

(ii) Revenue and adjusted operating profit relating to the discontinued operations of dmg media's digital recruitment businesses have been deducted in order to reconcile total segment result to Group profit before tax from continuing operations.

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

Year ended 30 September 2015	Amortisation of intangible assets not arising on business combinations (Note 22) £m	Amortisation of intangible assets arising on business combinations (Note 22) £m	Impairment of goodwill and intangible assets arising on business combinations (Notes 21, 22) £m	Exceptional operating costs £m	Impairment of property, plant and equipment and investment property (Notes 23, 24) £m
RMS	(5.8)	–	–	–	–
dmg information	(10.4)	(18.6)	–	–	–
dmg events	–	(2.1)	–	–	–
Euromoney	(2.7)	(17.9)	(18.5)	(3.2)	–
dmg media	(4.3)	(0.6)	–	(17.7)	(1.6)
Continuing operations	(23.2)	(39.2)	(18.5)	(20.9)	(1.6)

In Euromoney exceptional operating costs comprise restructuring and other exceptional costs following the reorganisation of certain businesses, office move costs and CIE legal costs. The impairment charge of £18.5 million relates to Hedgefund Intelligence, CIE and Indaba (Note 21).

In the dmg media segment exceptional costs comprise £8.6 million severance, £4.5 million consultancy costs, office move costs of £3.9 million and £0.7 million relating to contingent consideration required to be treated as remuneration.

The Group's tax charge includes a related credit of £7.0 million in relation to these items.

An analysis of the depreciation of property, plant and equipment and investment property, research costs, investment revenue, and finance costs by segment is as follows:

Year ended 30 September 2015	Depreciation of property, plant and equipment and investment property (Notes 23, 24) £m	Research costs £m	Investment revenue (Note 9) £m	Net finance costs (Note 10) £m
RMS	(6.2)	(49.6)	0.2	–
dmg information	(8.4)	(3.6)	0.2	(0.6)
dmg events	(0.6)	(0.1)	0.1	–
Euromoney	(2.6)	(11.2)	0.4	1.3
dmg media	(15.1)	(1.7)	–	(1.4)
	(32.9)	(66.2)	0.9	(0.7)
Corporate costs	(0.1)	–	3.1	(87.7)
Continuing operations	(33.0)	(66.2)	4.0	(88.4)

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3 Segment analysis continued

Year ended 30 September 2014	Note	External revenue £m	Inter-segment revenue £m	Total revenue £m	Segment result £m	Less operating profit/(loss) of joint ventures and associates £m	Adjusted operating profit £m
RMS		171.7	1.1	172.8	45.1	(0.3)	45.4
dmg information		390.8	–	390.8	68.3	0.4	67.9
dmg events		99.8	–	99.8	27.3	–	27.3
Euromoney		406.5	0.1	406.6	117.7	0.3	117.4
dmg media		795.6	0.3	795.9	126.1	30.8	95.3
		1,864.4	1.5	1,865.9	384.5	31.2	353.3
Corporate costs	(i)						(42.6)
Discontinued operations	19, (ii)	(53.2)					(14.5)
		1,811.2					
Adjusted operating profit							296.2
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property							(71.9)
Impairment of goodwill and acquired intangible assets arising on business combinations	21, 22						(3.6)
Amortisation of acquired intangible assets arising on business combinations	22						(36.7)
Operating profit before share of results of joint ventures and associates							184.0
Share of results of joint ventures and associates	7						14.3
Total operating profit							198.3
Other gains and losses	8						138.9
Profit before investment revenue, net finance costs and tax							337.2
Investment revenue	9						10.1
Net finance costs	10						(80.3)
Profit before tax							267.0
Tax	11						(18.3)
Profit from discontinued operations	19						34.3
Profit for the year							283.0

Adjusted operating profit within the dmg media segment comprised £99.3 million from newspapers and a loss of £4.0 million from digital assets.

(i) Included within corporate costs is a credit of £0.9 million which adjusts the pensions charge recorded in each operating segment from a cash rate to the net service cost in accordance with IAS 19 (Revised), Employee Benefits.

(ii) Revenue and adjusted operating profit relating to the discontinued operations of dmg media's digital recruitment businesses have been deducted in order to reconcile total segment result to Group profit before tax from continuing operations.

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

Year ended 30 September 2014	Note	Amortisation of intangible assets not arising on business combinations (Note 22) £m	Amortisation of intangible assets arising on business combinations (Note 22) £m	Impairment of goodwill and intangible assets arising on business combinations (Notes 21, 22) £m	Impairment of internally generated and acquired computer software (Note 22) £m	Exceptional operating costs £m	Impairment of property, plant and equipment and investment property (Notes 23, 24) £m
RMS		(1.7)	–	–	(44.6)	(4.0)	–
dmg information		(6.6)	(15.8)	–	–	(0.7)	–
dmg events		–	(3.2)	–	–	–	–
Euromoney		(2.0)	(17.6)	–	–	(3.8)	–
dmg media		(4.0)	(1.5)	(18.8)	(1.3)	(18.5)	–
		(14.3)	(38.1)	(18.8)	(45.9)	(27.0)	–
Corporate costs		–	–	–	–	1.5	(0.6)
		(14.3)	(38.1)	(18.8)	(45.9)	(25.5)	(0.6)
Relating to discontinued operations	19	0.5	1.4	15.2	–	0.1	–
Continuing operations		(13.8)	(36.7)	(3.6)	(45.9)	(25.4)	(0.6)

Exceptional operating costs in RMS comprise £4.0 million redundancy costs. The impairment charge of £44.6 million relates to the internally generated intangible asset RMS(one), see Note 22.

In the dmg information segment exceptional operating costs of £0.7 million relate to contingent consideration required to be treated as remuneration.

In Euromoney exceptional operating costs comprised acquisition-related costs of £0.9 million, reorganisation costs of £1.3 million and £1.6 million in relation to property move costs.

In the dmg media segment exceptional costs include reorganisation and restructuring charges of £20.5 million, including consultancy charges of £4.9 million, following a management delayering project, together with a write-back of £2.0 million relating to contingent consideration required to be treated as remuneration.

The Group's tax charge includes a related credit of £23.6 million in relation to these items.

An analysis of the depreciation of property, plant and equipment and investment property, research costs, investment revenue, and finance costs by segment is as follows:

Year ended 30 September 2014	Note	Depreciation of property, plant and equipment and investment property (Notes 23, 24) £m	Research costs £m	Investment revenue (Note 9) £m	Net finance costs (Note 10) £m
RMS		(5.5)	(39.0)	0.1	–
dmg information		(8.0)	(3.3)	0.2	1.1
dmg events		(0.5)	(0.4)	0.1	–
Euromoney		(2.9)	(9.8)	0.2	(1.0)
dmg media		(17.6)	(2.0)	–	(1.4)
		(34.5)	(54.5)	0.6	(1.3)
Corporate costs		(0.3)	–	9.5	(79.0)
		(34.8)	(54.5)	10.1	(80.3)
Relating to discontinued operations	19	0.7	–	–	–
Continuing operations		(34.1)	(54.5)	10.1	(80.3)

3 Segment analysis continued

The Group's revenue comprises sales excluding value added tax, less discounts and commission where applicable and is analysed as follows:

	Year ended 30 September 2015 Total £m	Year ended 30 September 2015 Discontinued operations (Note 19) £m	Year ended 30 September 2015 Inter-segment £m	Year ended 30 September 2015 Continuing operations £m	Year ended 30 September 2014 Total £m	Year ended 30 September 2014 Discontinued operations (Note 19) £m	Year ended 30 September 2014 Inter-segment £m	Year ended 30 September 2014 Continuing operations £m
Sale of goods	**711.0**	**(2.7)**	**–**	**708.3**	703.1	(53.2)	–	649.9
Rendering of services	**1,135.2**	**–**	**(0.8)**	**1,134.4**	1,162.8	–	(1.5)	1,161.3
	1,846.2	**(2.7)**	**(0.8)**	**1,842.7**	1,865.9	(53.2)	(1.5)	1,811.2

The Group includes circulation and subscriptions revenue within Sale of goods, the remainder of the Group's revenue, excluding investment revenue is included within rendering of services. Investment revenue is shown in Note 9 and finance income in Note 10.

By geographic area

The majority of the Group's operations are located in the United Kingdom, North America, rest of Europe, and Australia.

The analysis below is based on the location of companies in these regions. Export sales and related profits are included in the areas from which those sales are made.

	Year ended 30 September 2015 Total £m	Year ended 30 September 2015 Discontinued operations (Note 19) £m	Year ended 30 September 2015 Continuing operations £m	Year ended 30 September 2014 Total £m	Year ended 30 September 2014 Discontinued operations (Note 19) £m	Year ended 30 September 2014 Continuing operations £m
UK	**1,048.5**	**(2.7)**	**1,045.8**	1,109.9	(38.5)	1,071.4
North America	**632.1**	**–**	**632.1**	582.7	(1.5)	581.2
Rest of Europe	**39.2**	**–**	**39.2**	55.4	(12.8)	42.6
Australia	**16.8**	**–**	**16.8**	18.5	(0.4)	18.1
Rest of the World	**108.8**	**–**	**108.8**	97.9	–	97.9
	1,845.4	**(2.7)**	**1,842.7**	1,864.4	(53.2)	1,811.2

The analysis below is based on the geographic location of customers in these regions.

	Year ended 30 September 2015 Total £m	Year ended 30 September 2015 Discontinued operations (Note 19) £m	Year ended 30 September 2015 Continuing operations £m	Year ended 30 September 2014 Total £m	Year ended 30 September 2014 Discontinued operations (Note 19) £m	Year ended 30 September 2014 Continuing operations £m
UK	**932.2**	**(2.7)**	**929.5**	991.9	(37.8)	954.1
North America	**563.4**	**–**	**563.4**	504.5	(2.1)	502.4
Rest of Europe	**165.8**	**–**	**165.8**	186.2	(11.8)	174.4
Australia	**24.0**	**–**	**24.0**	24.0	(0.5)	23.5
Rest of the World	**160.0**	**–**	**160.0**	157.8	(1.0)	156.8
	1,845.4	**(2.7)**	**1,842.7**	1,864.4	(53.2)	1,811.2

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 21) 2015 £m	Closing net book value of goodwill (Note 21) 2014 £m	Closing net book value of intangible assets (Note 22) 2015 £m	Closing net book value of intangible assets (Note 22) 2014 £m	Closing net book value of property, plant and equipment (Note 23) 2015 £m	Closing net book value of property, plant and equipment (Note 23) 2014 £m	Closing net book value of investment property (Note 24) 2015 £m	Closing net book value of investment property (Note 24) 2014 £m
UK	**248.7**	263.9	**121.0**	136.6	**143.1**	161.2	**–**	4.3
North America	**627.9**	469.4	**286.5**	209.4	**32.6**	31.8	**–**	–
Rest of Europe	**8.7**	4.3	**11.7**	9.4	**3.3**	2.6	**–**	–
Australia	**3.8**	9.0	**1.3**	1.7	**0.4**	0.4	**–**	–
Rest of the World	**19.6**	18.0	**3.4**	3.6	**1.7**	1.7	**–**	–
	908.7	764.6	**423.9**	360.7	**181.1**	197.7	**–**	4.3

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

	Goodwill (Note 21) Year ended 30 September 2015 £m	Goodwill (Note 21) Year ended 30 September 2014 £m	Intangible assets (Note 22) Year ended 30 September 2015 £m	Intangible assets (Note 22) Year ended 30 September 2014 £m	Property, plant and equipment (Note 23) Year ended 30 September 2015 £m	Property, plant and equipment (Note 23) Year ended 30 September 2014 £m
RMS	**–**	–	**24.7**	39.6	**3.1**	8.1
dmg information	**121.0**	58.8	**73.7**	81.1	**9.9**	14.5
dmg events	**0.4**	2.3	**0.6**	2.1	**0.6**	1.0
Euromoney	**–**	30.8	**1.8**	31.8	**6.5**	3.1
dmg media	**18.7**	3.4	**10.9**	11.9	**8.9**	5.0
	140.1	95.3	**111.7**	166.5	**29.0**	31.7

4 Operating profit analysis

Operating profit before the share of results of joint ventures and associates is further analysed as follows:

	Note	Year ended 30 September 2015 Total £m	Year ended 30 September 2015 Discontinued operations (Note 19) £m	Year ended 30 September 2015 Continuing operations £m	Year ended 30 September 2014 Total £m	Year ended 30 September 2014 Discontinued operations (Note 19) £m	Year ended 30 September 2014 Continuing operations £m
Revenue		**1,845.5**	**2.7**	**1,842.8**	1,864.4	53.2	1,811.2
Decrease in stocks of finished goods and work in progress		**(6.4)**	**–**	**(6.4)**	(5.7)	–	(5.7)
Raw materials and consumables		**(217.1)**	**–**	**(217.1)**	(222.9)	(0.1)	(222.8)
Inventories recognised as an expense in the year		**(223.5)**	**–**	**(223.5)**	(228.6)	(0.1)	(228.5)
Staff costs	6	**(651.2)**	**(0.6)**	**(650.6)**	(637.8)	(15.2)	(622.6)
Impairment of goodwill and intangible assets	21, 22	**(18.5)**	**–**	**(18.5)**	(64.7)	(15.2)	(49.5)
Amortisation of intangible assets arising on business combinations	22	**(39.2)**	**–**	**(39.2)**	(38.1)	(1.4)	(36.7)
Amortisation of internally generated and acquired computer software	22	**(23.2)**	**–**	**(23.2)**	(14.3)	(0.5)	(13.8)
Promotion and marketing costs		**(60.6)**	**(0.5)**	**(60.1)**	(75.9)	(7.1)	(68.8)
Venue and delegate costs		**(68.8)**	**–**	**(68.8)**	(68.7)	–	(68.7)
Editorial and production costs		**(114.2)**	**–**	**(114.2)**	(130.7)	(8.3)	(122.4)
Distribution and transportation costs		**(43.1)**	**–**	**(43.1)**	(45.2)	–	(45.2)
Royalties and similar charges		**(77.1)**	**–**	**(77.1)**	(78.8)	–	(78.8)
Depreciation of property, plant and equipment and investment property	23, 24	**(33.0)**	**–**	**(33.0)**	(34.8)	(0.7)	(34.1)
Impairment of property, plant and equipment and investment property	23, 24	**(1.6)**	**–**	**(1.6)**	(0.6)	–	(0.6)
Rental of property		**(21.8)**	**–**	**(21.8)**	(21.3)	(0.6)	(20.7)
Other property costs		**(34.9)**	**–**	**(34.9)**	(27.7)	(0.4)	(27.3)
Rental of plant and equipment		**(26.2)**	**–**	**(26.2)**	(16.4)	(0.2)	(16.2)
Foreign exchange translation differences		**(0.7)**	**–**	**(0.7)**	(1.6)	–	(1.6)
Other expenses		**(200.0)**	**(0.5)**	**(199.5)**	(197.4)	(5.7)	(191.7)
Operating profit/(loss)		**207.9**	**1.1**	**206.8**	181.8	(2.2)	184.0

5 Auditor's remuneration

	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	**0.3**	0.3
Fees payable to the Company's Auditor and its associates for the audit of the Company's subsidiaries pursuant to legislation	**1.9**	2.1
Audit services provided to all Group companies	**2.2**	2.4
Audit-related assurance services	**0.4**	0.2
Services relating to tax compliance	**–**	0.1
Services relating to tax advisory	**0.2**	0.4
Services relating to corporate finance transactions	**0.1**	–
Other non-audit services	**0.2**	0.3
	0.9	1.0
Total remuneration	**3.1**	3.4

6 Employees

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

	Year ended 30 September 2015 Number	Year ended 30 September 2014 Number
RMS	**1,104**	1,164
dmg information	**3,427**	2,764
dmg events	**396**	371
Euromoney	**2,322**	2,409
dmg media	**2,836**	3,134
DMGT Board and head office	**77**	105
	10,162	9,947

Total staff costs comprised:

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Wages and salaries		**559.4**	550.3
Share-based payments	42	**16.8**	12.2
Social security costs		**56.7**	55.8
Pension costs	35	**18.3**	19.5
		651.2	637.8

7 Share of results of joint ventures and associates

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Share of profits from operations of joint ventures	(i)	**0.3**	11.7
Share of profits from operations of associates	(ii)	**32.2**	19.5
Adjusted operating profits from joint ventures and associates		**32.5**	31.2
Share of exceptional operating costs of joint ventures		**–**	(0.8)
Share of exceptional operating costs of associates		**(4.2)**	(3.9)
Share of amortisation of intangibles arising on business combinations of joint ventures		**(0.1)**	(2.1)
Share of amortisation of intangibles arising on business combinations of associates		**(8.4)**	(3.7)
Share of joint ventures' interest payable		**–**	(0.1)
Share of associates' interest payable		**(2.3)**	(0.3)
Share of joint ventures' tax		**(0.3)**	(3.0)
Share of associates' tax	13	**(4.2)**	(2.2)
Impairment of carrying value of joint ventures	13, 25, (iii)	**(1.7)**	(0.4)
Impairment of carrying value of associates	13, 25, (iv)	**–**	(0.4)
Share of results of joint ventures and associates		**11.3**	14.3
Share of results from operations of joint ventures		**(0.1)**	5.7
Share of results from operations of associates		**13.1**	9.4
Impairment of carrying value of joint ventures	13, 25, (iii)	**(1.7)**	(0.4)
Impairment of carrying value of associates	13, 25, (iv)	**–**	(0.4)
Share of results of joint ventures and associates		**11.3**	14.3

(i) Share of adjusted operating profits from joint ventures includes £nil (2014 £12.9 million) from the Group's interest in Zoopla Property Group Plc (Zoopla) in the dmg media segment.

Following the IPO of Zoopla during the prior year the Group disposed of 38.9% of its 52.1% holding in Zoopla. The Group's remaining 31.32% holding is now classified within associates.

(ii) Share of adjusted operating profits from associates includes £16.8 million (2014 £15.4 million) from the Group's interest in Local World in the dmg media segment and £14.0 million (2014 £4.4 million) from the Group's interest in Zoopla in the dmg media segment.

(iii) Principally relates to a write-down in the carrying value of Artirix Ltd in the dmg media segment. In the prior year, represents a write-down in the carrying value of Mail Today Newspapers Pte Ltd in the dmg media segment.

(iv) In the prior year, represents a write-down in the carrying value of Global Grain Pte Ltd in the Euromoney segment.

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8 Other gains and losses

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Profit/(loss) on disposal of available-for-sale investments	(i)	**45.2**	(0.4)
Impairment of available-for-sale assets	26	**(1.0)**	–
Profit on disposal of property, plant and equipment	13	**3.1**	1.3
Amounts released against contingent consideration receivable on disposal		**–**	4.0
Profit on disposal of businesses	13, 18, (ii)	**6.5**	5.1
Recycled cumulative translation differences	13, 18, 39, (ii)	**2.1**	0.5
Gain on change in control	(iii)	**19.8**	4.6
Profit on disposal of joint ventures and associates	(iv)	**6.7**	123.8
		82.4	138.9

(i) Principally relates to a £45.5 million profit on disposal of Capital DATA Ltd within the Euromoney segment. The consideration received was £13.5 million zero coupon preference shares, together with £37.8 million ordinary shares (representing 15.5%) in Diamond TopCo Ltd (Dealogic). The consideration received in the form of ordinary shares is restricted by £5.8 million, representing an adjustment for the percentage of Euromoney's 15.5% ownership in Dealogic. The original investment in Capital DATA Ltd was accounted for as an available-for-sale investment with a carrying value of £nil.

(ii) Principally relates to a £7.6 million profit on disposal of Lewtan in the dmg information segment, together with a £2.5 million profit on disposal of various newsletter publications and website services titles within the Euromoney segment, inclusive of recycled cumulative translation differences. In the prior year, principally relates to a £6.8 million profit on disposal of MIS Training by Euromoney.

(iii) During the year the Group increased its interests in Petrotranz Inc, Commodity Vectors Ltd and TreppPort LLC, within the dmg information segment, and obtained control. During the prior year the Group increased its interest in Xceligent Inc., also held by the dmg information segment and obtained control. In accordance with IFRS 3, Business Combinations, the difference between the fair value of these investments and their carrying value at the date control passed to the Group has been treated as a gain during the relevant period.

(iv) Principally relates to a £2.9 million profit on disposal of Capital NET Ltd within the Euromoney segment, £2.2 million profit on disposal of 1.38% of the Group's holding in Zoopla in the dmg media segment and £1.4 million profit on disposal of Cougar Software Pty Ltd in the dmg information segment. In the prior year, following the IPO of Zoopla the Group disposed of 38.9% of its 52.1% holding in Zoopla. The Group's remaining 31.32% holding is now classified within associates.

There is no tax charge in relation to these items (2014 £1.4 million).

9 Investment revenue

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Dividend income – Other		–	0.1
Dividend income – Press Association	(i)	**3.1**	9.3
Interest receivable from short-term deposits		**0.9**	0.7
		4.0	10.1

(i) Distributions in the current and prior year follow the Press Association's disposal of its investment in MeteoGroup.

10 Net finance costs

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Interest, arrangement and commitment fees payable on bonds, bank loans and loan notes		**(35.9)**	(50.9)
Premium on bond redemption	13, (i)	**(39.9)**	(24.4)
Loss on derivatives, or portions thereof, not designated for hedge accounting		**(2.4)**	–
Finance charge on defined benefit pension schemes	13, 35	**(6.8)**	(7.6)
Change in fair value of derivative hedge of bond	16	**2.1**	(0.8)
Change in fair value of hedged portion of bond	16	**(2.1)**	0.8
Finance charge on discounting of contingent consideration payable	36, (ii)	**(0.6)**	(1.4)
Fair value movement of undesignated financial instruments		**(4.9)**	–
Fair value movement of contingent consideration receivable	13	**(1.9)**	(0.4)
Fair value movement of contingent consideration payable		**(0.4)**	–
Finance costs		**(92.8)**	(84.7)
Profit on derivatives, or portions thereof, not designated for hedge accounting		–	1.0
Finance income on discounting of contingent consideration receivable	(ii)	**0.2**	0.1
Fair value movement of contingent consideration payable	13, 36	–	1.1
Fair value movement of undesignated financial instruments	13	–	0.9
Change in present value of acquisition put options	13, 34	**4.2**	1.3
Finance income		**4.4**	4.4
Net finance costs		**(88.4)**	(80.3)

(i) On 22 September 2014 the Company announced its invitation to holders of its outstanding £165.0 million 2021 bonds and its outstanding £349.7 million 2018 bonds to tender their bonds for purchase by the Company for cash. On 30 September 2014 the Company announced the results and cash price payable of validly tendered 2018 and 2021 bonds. The total cash price payable by the Company amounted to £193.1 million, including a premium of £39.9 million, which was paid on 1 October 2014.

In December 2013 the Group bought back £49.7 million notional of its 2018 bonds and £149.2 million notional of its 2021 bonds incurring a premium of £24.4 million. The total cash price paid by the Company amounted to £131.2 million.

(ii) The finance income/(charge) on the discounting of contingent consideration arises from the requirement under IFRS 3, Business Combinations, to record contingent consideration at fair value using a discounted cash flow approach.

11 Tax

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
The charge on the profit for the period consists of:			
UK tax			
Corporation tax at 20.5% (2014 22.0%)		**(4.6)**	(3.1)
Adjustments in respect of prior years		**(1.1)**	2.5
		(5.7)	(0.6)
Overseas tax			
Corporation tax		**(25.1)**	(25.4)
Adjustments in respect of prior years		**3.3**	0.5
		(21.8)	(24.9)
Total current tax		**(27.5)**	(25.5)
Deferred tax	37		
Origination and reversals of temporary differences		**5.9**	4.1
Adjustments in respect of prior years		**0.8**	(0.1)
Total deferred tax		**6.7**	4.0
Total tax charge		**(20.8)**	(21.5)
Relating to discontinued operations	19	**–**	3.2
		(20.8)	(18.3)

A deferred tax charge of £2.1 million (2014 £9.9 million credit) relating to the actuarial movement on defined benefit pension schemes and a deferred tax credit of £0.6 million (2014 £nil) relating to derivative financial instruments were recognised directly in the Consolidated Statement of Comprehensive Income. A deferred tax credit of £1.4 million (2014 £0.4 million charge) and a current tax credit of £nil (2014 £2.7 million) was recognised directly in equity (Notes 39 and 40).

The tax charge for the year is lower than the standard rate of corporation tax in the UK of 20.5% (2014 22.0%) representing the weighted average annual corporate tax rate for the full financial year. The differences are explained below:

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Profit on ordinary activities before tax – continuing operations		**216.1**	267.0
Profit before tax – discontinued operations		**50.0**	36.1
Total profit before tax		**266.1**	303.1
Tax on profit on ordinary activities at the standard rate		**(54.6)**	(66.7)
Effect of:			
Amortisation and impairment of goodwill and intangible assets		**(1.0)**	(2.4)
Other expenses not deductible for tax purposes		**(0.9)**	(4.3)
Additional items deductible for tax purposes		**15.3**	14.8
(De-recognition)/recognition of previously (recognised)/unrecognised deferred tax assets		**(4.4)**	1.9
Effect of overseas tax rates		**(6.4)**	(9.4)
Effect of associates tax		**2.9**	3.4
Unrecognised tax losses utilised		**4.3**	1.9
Write off/disposal of subsidiaries		**20.9**	35.6
Effect of change in tax rate		**(0.2)**	(1.0)
Adjustment in respect of prior years		**3.0**	2.9
Other		**0.3**	1.8
Total tax charge on the profit for the year	13	**(20.8)**	(21.5)

The net prior year credit of £3.0 million (2014 £2.9 million) arose largely from 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 £41.4 million (2014 £58.6 million) and the resulting rate is 14.8% (2014 20.1%). The differences between the tax charge and the adjusted tax charge are shown in the reconciliation below:

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Total tax charge on the profit for the year		**(20.8)**	(21.5)
Share of tax in joint ventures and associates	7	**(4.5)**	(5.2)
Deferred tax on intangible assets		**(8.4)**	(5.3)
Tax on other adjusting items		**(7.7)**	(26.6)
Adjusted tax charge on the profit for the year		**(41.4)**	(58.6)

In calculating the adjusted tax rate, the Group excludes the potential future deferred tax effects of intangible assets (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 £4.4 million (2014 £nil) relating to the derecognition of further tax losses and the reassessment of other temporary differences which are treated as exceptional due to their distortive impact on the Group's adjusted tax charge.

12 Dividends paid

	Year ended 30 September 2015 Pence per share	Year ended 30 September 2015 £m	Year ended 30 September 2014 Pence per share	Year ended 30 September 2014 £m
Amounts recognisable as distributions to equity holders in the year				
Ordinary Shares – final dividend for the year ended 30 September 2014	**14.2**	**2.8**	–	–
A Ordinary Non-Voting Shares – final dividend for the year ended 30 September 2014	**14.2**	**48.9**	–	–
Ordinary Shares – final dividend for the year ended 30 September 2013	**–**	**–**	13.3	2.6
A Ordinary Non-Voting Shares – final dividend for the year ended 30 September 2013	**–**	**–**	13.3	47.0
		51.7		49.6
Ordinary Shares – interim dividend for the year ended 30 September 2015	**6.5**	**1.3**	–	–
A Ordinary Non-Voting Shares – interim dividend for the year ended 30 September 2015	**6.5**	**22.0**	–	–
Ordinary Shares – interim dividend for the year ended 30 September 2014	**–**	**–**	6.2	1.3
A Ordinary Non-Voting Shares – interim dividend for the year ended 30 September 2014	**–**	**–**	6.2	21.9
		23.3		23.2
		75.0		72.8

The Board has declared a final dividend of 14.9 pence per Ordinary/A Ordinary Non-Voting Share (2014 14.2 pence) which will absorb an estimated £52.9 million (2014 £52.1 million) of shareholders' equity for which no liability has been recognised in these financial statements. It will be paid on 12 February 2016 to shareholders on the register at the close of business on 4 December 2015.

13 Adjusted profit

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Profit before tax – continuing operations	3	**216.1**	267.0
Profit/(loss) before tax – discontinued operations	19	**1.1**	(2.2)
Adjust for:			
Amortisation of intangible assets in Group profit from operations, including joint ventures and associates, arising on business combinations	3, 7, 19	**47.7**	43.9
Impairment of goodwill and intangible assets arising on business combinations	3, 19	**18.5**	18.8
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property	3, 19	**22.5**	72.0
Share of exceptional operating costs of joint ventures and associates	7	**4.2**	4.7
Impairment of carrying value of joint ventures and associates	7	**1.7**	0.8
Other gains and losses:			
(Profit)/loss on disposal of available-for-sale investments	8	**(45.2)**	0.4
Impairment of available-for-sale assets	8	**1.0**	–
Profit on disposal of property, plant and equipment	8	**(3.1)**	(1.3)
Amounts released against contingent consideration receivable on disposal	8	**–**	(4.0)
Profit on disposal of businesses, joint ventures, associates, change of control and recycled cumulative translation differences	8	**(35.1)**	(134.0)
Investment revenue:			
Dividend income – Press Association	9	**(3.1)**	(9.3)
Finance costs:			
Premium on bond redemption	10	**39.9**	24.4
Finance charge on defined benefit pension schemes	10	**6.8**	7.6
Fair value movements	10, (i)	**3.0**	(2.9)
Tax:			
Share of tax in joint ventures and associates	7, 11	**4.5**	5.2
Adjusted profit before tax and non-controlling interests		**280.5**	291.1
Total tax charge on the profit for the year	11	**(20.8)**	(21.5)
Adjust for:			
Share of tax in joint ventures and associates	7	**(4.5)**	(5.2)
Deferred tax on intangible assets	11	**(8.4)**	(5.3)
Tax on other adjusting items	11	**(7.7)**	(26.6)
Non-controlling interests	(ii)	**(23.6)**	(25.1)
Adjusted profit after taxation and non-controlling interests		**215.5**	207.4

(i) Fair value movements include movements on undesignated financial instruments, contingent consideration payable and receivable and change in value of acquisition put options.

(ii) The adjusted non-controlling interests' share of profits for the year of £23.6 million (2014 £25.1 million) is stated after eliminating a charge of £5.1 million (2014 credit £5.0 million), being the non-controlling interests' share of adjusting items.

14 Earnings per share

Basic earnings per share of 60.1 pence (2014 70.6 pence) and diluted earnings per share of 59.0 pence (2014 69.3 pence) are calculated, in accordance with IAS 33, Earnings per share, on Group profit for the financial year of £166.6 million (2014 £228.6 million) as adjusted for the effect of dilutive Ordinary Shares of £0.3 million (2014 £0.7 million) and earnings from discontinued operations of £50.0 million (2014 £34.3 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 59.7 pence (2014 55.7 pence) 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 £215.5 million (2014 £207.4 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 ended 30 September 2015 Diluted earnings £m	Year ended 30 September 2014 Diluted earnings £m	Year ended 30 September 2015 Basic earnings £m	Year ended 30 September 2014 Basic earnings £m
Earnings from continuing operations	**166.6**	228.6	**166.6**	228.6
Effect of dilutive Ordinary Shares	**(0.3)**	(0.7)	**–**	–
Earnings from discontinued operations	**50.0**	34.3	**50.0**	34.3
	216.3	262.2	**216.6**	262.9
Adjusted earnings from continuing and discontinued operations	**215.5**	207.4	**215.5**	207.4
Effect of dilutive Ordinary Shares	**(0.3)**	(0.7)	**–**	–
	215.2	206.7	**215.5**	207.4

	Year ended 30 September 2015 Diluted pence per share	Year ended 30 September 2014 Diluted pence per share	Year ended 30 September 2015 Basic pence per share	Year ended 30 September 2014 Basic pence per share
Earnings per share from continuing operations	**45.5**	60.4	**46.2**	61.4
Effect of dilutive Ordinary Shares	**(0.1)**	(0.2)	**–**	–
Earnings per share from discontinued operations	**13.6**	9.1	**13.9**	9.2
Earnings per share from continuing and discontinued operations	**59.0**	69.3	**60.1**	70.6
Adjusted earnings per share from continuing and discontinued operations	**58.8**	54.8	**59.7**	55.7
Effect of dilutive Ordinary Shares	**(0.1)**	(0.2)	**–**	–
Adjusted earnings per share from continuing and discontinued operations	**58.7**	54.6	**59.7**	55.7

The weighted average number of Ordinary Shares in issue during the year for the purpose of these calculations is as follows:

	Year ended 30 September 2015 Number m	Year ended 30 September 2014 Number m
Number of Ordinary Shares in issue	**372.4**	393.8
Own shares held	**(11.6)**	(21.4)
Basic earnings per share denominator	**360.8**	372.4
Effect of dilutive share options	**5.7**	5.8
Dilutive earnings per share denominator	**366.5**	378.2

15 EBITDA and cash generated by operations

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Continuing operations			
Adjusted operating profit	3	**287.0**	296.2
Non-exceptional depreciation charge	19	**33.0**	34.1
Amortisation of internally generated and acquired computer software	3	**23.2**	13.8
Operating profits from joint ventures and associates	7	**32.5**	31.2
Dividend income	9	**–**	0.1
Discontinued operations			
Adjusted operating profit		**1.1**	14.5
Non-exceptional depreciation charge		**–**	0.7
Amortisation of internally generated and acquired computer software		**–**	0.5
EBITDA		**376.8**	391.1
Adjustments for:			
Share-based payments		**17.3**	10.3
Loss on disposal of property, plant and equipment		**1.6**	5.3
Pension charge less than cash contributions	3	**(1.3)**	(0.9)
Share of profits from joint ventures and associates	7	**(32.5)**	(31.2)
Exceptional operating costs	3	**(20.9)**	(25.5)
Dividend income	9	**–**	(0.1)
(Increase)/decrease in inventories		**(8.1)**	1.1
Increase in trade and other receivables		**(19.7)**	(2.0)
Increase/(decrease) in trade and other payables		**18.8**	(49.4)
Decrease in provisions		**(2.6)**	(6.3)
Additional payments into pension schemes		**(48.1)**	(49.9)
Cash generated by operations		**281.3**	242.5

16 Analysis of net debt

	Note	At 30 September 2014 £m	Cash flow (i) £m	Fair value hedging adjustments £m	Foreign exchange movements £m	Other non-cash movements (ii) £m	At 30 September 2015 £m
Cash and cash equivalents	29	29.0	4.0	–	(0.8)	–	**32.2**
Bank overdrafts	29, 33	–	(0.7)	–	–	–	**(0.7)**
Net cash and cash equivalents		29.0	3.3	–	(0.8)	–	**31.5**
Debt due within one year							
Bonds	33	(153.2)	153.2	–	–	–	**–**
Loan notes	33	(2.9)	0.5	–	(0.1)	–	**(2.5)**
Finance lease obligations	33	(0.2)	–	–	–	–	**(0.2)**
Debt due after one year							
Bonds	33	(415.6)	–	(2.1)	–	(2.5)	**(420.2)**
Bank loans	33	(59.9)	(234.3)	–	(12.5)	–	**(306.7)**
Finance lease obligations	33	(0.2)	–	–	–	–	**(0.2)**
Net debt before effect of derivatives		(603.0)	(77.3)	(2.1)	(13.4)	(2.5)	**(698.3)**
Effect of derivatives on debt	(iii)	0.2	(6.3)	2.1	0.8	–	**(3.2)**
Net debt		(602.8)	(83.6)	–	(12.6)	(2.5)	**(701.5)**

The net cash inflow of £3.3 million (2014 £58.3 million outflow) includes a cash outflow of £20.0 million (2014 £29.8 million) in respect of operating exceptional items.

(i) On 22 September 2014 the Company announced its invitation to holders of its outstanding 2021 bonds and its outstanding 2018 bonds to tender their bonds for purchase by the Company for cash. On 30 September 2014 the Company announced the results and cash price payable of validly tendered 2018 and 2021 bonds. The total cash price payable by the Company amounted to £193.1 million, including a premium of £39.9 million, which was paid on 1 October 2014.

Following this transaction £218.5 million nominal of the 2018 bonds, £7.2 million nominal of the 2021 bonds and £200.0 million nominal of the 2027 bonds remain outstanding.

(ii) Other non-cash movements comprise the unwinding of the issue discount amounting to £2.2 million (2014 £1.7 million) and amortisation of issue costs of £0.3 million (2014 £0.3 million).

(iii) The effect of derivatives on debt is the net currency gain or loss on derivatives entered into with the intention of economically converting the currency borrowings into an alternative currency.

17 Summary of the effects of acquisitions

On 6 November 2014, the dmg information segment acquired an additional 17.1% of the preferred equity in Petrotranz Inc (Petrotranz) for consideration of £9.6 million. Petrotranz operates a web-based platform providing automation to the oil and natural gas industries. The Group now owns 50.4% of the preferred equity and having obtained control has treated the difference between the fair value and the carrying value of the investment at the point of obtaining control as a gain during the period (Note 8).

Petrotranz contributed £4.0 million to the Group's revenue, £2.1 million to the Group's operating profit and £1.0 million to the Group's profit after tax for the period between the date of acquisition and 30 September 2015.

If the acquisition had been completed on the first day of the financial year, Petrotranz would have contributed £4.3 million to the Group's revenue for the year, £2.2 million operating profit and £1.1 million to the Group's adjusted profit after tax for the year.

On 30 January 2015, the dmg media segment acquired 100% of Elite Daily Inc (Elite Daily) for consideration of £17.6 million. Elite Daily operates elitedaily.com, a news and entertainment website focusing on the 18–34 demographic.

Elite Daily contributed £4.7 million to the Group's revenue, a loss of £2.1 million to the Group's operating profit and a loss of £2.0 million to the Group's profit after tax for the period between the date of acquisition and 30 September 2015.

If the acquisition had been completed on the first day of the financial year, Elite Daily would have contributed £6.0 million to the Group's revenue for the year, a loss of £2.6 million to the Group's operating profit and a loss of £2.5 million to the Group's adjusted profit after tax for the year.

On 18 February 2015 the dmg information segment acquired 100% of Starfish Retention Solutions Inc (Starfish) for consideration of £24.1 million. Starfish provides software as a service solutions that enable higher education institutions to leverage student data.

Starfish contributed £4.4 million to the Group's revenue, £1.4 million to the Group's operating profit and £1.4 million to the Group's profit after tax for the period between the date of acquisition and 30 September 2015.

If the acquisition had been completed on the first day of the financial year, Starfish would have contributed £6.7 million to the Group's revenue for the year, £1.2 million to the Group's operating profit and £1.2 million to the Group's adjusted profit after tax for the year.

On 27 April 2015 the dmg information segment acquired 100% of Digital H2O Inc (Digital H2O) for consideration of £14.5 million. Digital H2O is a start-up in the water asset management space, providing big data methodologies to facilitate water management in oil and gas exploration and production operations, as well as providing oilfield services such as disposal well management.

Digital H2O contributed £0.1 million to the Group's revenue, a loss of £0.3 million to the Group's operating profit and a loss of £0.3 million to the Group's profit after tax for the period between the date of acquisition and 30 September 2015.

If the acquisition had been completed on the first day of the financial year, Digital H2O would have contributed £0.1 million to the Group's revenue for the year, a loss of £0.7 million to the Group's operating profit and a loss of £0.7 million to the Group's adjusted profit after tax for the year.

On 11 September 2015 the dmg information segment acquired 100% of Locus Energy Inc (Locus) for consideration of £49.7 million. Locus is a leading solar photovoltaic performance monitoring and data analytics provider.

Locus contributed £0.8 million to the Group's revenue, a loss of £0.1 million to the Group's operating profit and a loss of £0.1 million to the Group's profit after tax for the period between the date of acquisition and 30 September 2015.

If the acquisition had been completed on the first day of the financial year, Locus would have contributed £11.1 million to the Group's revenue for the year, a loss of £1.5 million to the Group's operating profit and a loss of £1.5 million to the Group's adjusted profit after tax for the year.

17 Summary of the effects of acquisitions continued

Provisional fair value of net assets acquired with all acquisitions:

	Note	Petrotranz £m	Elite Daily £m	Starfish £m	Digital H2O £m	Locus £m	Other £m	Total £m
Goodwill	21, (i)	26.1	18.7	21.3	13.0	41.4	19.6	140.1
Intangible assets	22	10.0	5.0	8.2	2.5	17.5	12.0	55.2
Property, plant and equipment	23	–	–	–	0.1	0.1	0.1	0.3
Inventories		–	–	–	–	1.1	–	1.1
Trade and other receivables	(ii)	1.4	1.1	0.6	–	2.7	0.9	6.7
Cash and cash equivalents		0.8	–	3.9	–	0.1	0.8	5.6
Trade and other payables		(0.8)	(5.2)	(7.6)	(0.1)	(6.6)	(2.3)	(22.6)
Deferred tax	37	(3.8)	(2.0)	(2.3)	(1.0)	(6.6)	(3.7)	(19.4)
Net assets acquired		**33.7**	**17.6**	**24.1**	**14.5**	**49.7**	**27.4**	**167.0**
Non-controlling interest share of net assets acquired	40, (iii)	(5.6)	–	–	–	–	(3.5)	(9.1)
Group share of net assets acquired		**28.1**	**17.6**	**24.1**	**14.5**	**49.7**	**23.9**	**157.9**

Cost of acquisitions:

	Note	£m	£m	£m	£m	£m	£m	Total £m
Cash paid in current year		9.6	15.9	24.1	2.6	23.7	9.6	85.5
Fair value of investment in associate on acquisition of control	(iv)	18.5	–	–	–	–	–	18.5
Fair value of investment in joint venture on acquisition of control	(v)	–	–	–	–	–	5.9	5.9
Contingent consideration	36, (vi)	–	1.7		11.9	26.0	8.4	48.0
Total consideration at fair value		**28.1**	**17.6**	**24.1**	**14.5**	**49.7**	**23.9**	**157.9**

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

Goodwill arising on these acquisitions is principally attributable to the anticipated profitability relating to the distribution of the Group's products in new and existing markets and anticipated operating synergies from the business combinations.

(ii) The fair value of trade and other receivables includes trade receivables with a fair value of £3.8 million. The gross contractual amount of trade receivables due is £3.8 million, of which £nil is expected to be uncollectable.

(iii) The non-controlling interests arising during the year relates to the acquisition of Petrotranz, KWG Inc (Empower) and TreppPort LLC (TreppPort). The value of the non-controlling interests was measured using the share of net assets acquired method.

(iv) During the year the Group increased its interest in Petrotranz held by the dmg information segment and obtained control.

(v) During the year the Group increased its interests in TreppPort and Commodity Vectors Ltd (Commodity Vectors), both held by the dmg information segment and obtained control.

(vi) The contingent consideration recognised during the year principally relates to the acquisitions of Elite Daily, Commodity Vectors, Energy Fundamentals GmbH, Digital H2O, Empower and Locus. It is based on future business valuations and profit multiples and has been estimated on an acquisition-by-acquisition basis using available data forecasts. The contingent consideration is expected to fall due as follows: £4.8 million within one year, £2.5 million between one and two years, and £40.7 million between two and five years.

The estimated range of undiscounted outcomes for contingent consideration relating to acquisitions in the year is £1.0 million to £318.4 million. Certain contingent consideration arrangements are not capped since they are based on future business performance.

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.

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

Name of acquisition	Segment	% voting rights acquired	Date of acquisition	Business description	Consideration £m	Intangible assets acquired £m	Goodwill arising £m
Energy Fundamentals GmbH	dmg information	100%	November 2014	Provider of energy market analysis	3.5	2.3	2.1
Commodity Vectors Ltd	dmg information	100%	February 2015	Provider of advanced maritime analytics	3.7	1.2	2.8
KWG Inc (Empower)	dmg information	56.4%	July 2015	Provider of data and software solutions to mitigate property-related compliance issues	9.3	2.7	8.8
TreppPort LLC	dmg information	51%	July 2015	Provider of real estate information to financial institutions	5.0	4.6	4.4

All of the companies acquired during the year contributed £16.0 million to the Group's revenue and a loss of £0.9 million to the Group's profit after tax for the period between the date of acquisition and 30 September 2015.

Acquisition-related costs amounting to £0.7 million are charged against profits for the period in the Consolidated Income Statement.

If all acquisitions had been completed on the first day of the financial year, Group revenues for the year would have been £1,875.2 million and Group profit attributable to equity holders of the parent would have been £213.5 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 year.

Purchase of additional shares in controlled entities

	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Cash consideration	**0.2**	0.4

During the year, the Group acquired additional shares in controlled entities amounting to £0.2 million (2014 £0.4 million). In the prior year the Group's interest in Euromoney increased by 1.0% following Euromoney's acquisition of 1.8 million of its own shares. 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 £5.9 million (2014 £2.3 million credit).

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

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Cash consideration		**85.5**	153.4
Cash paid to settle contingent consideration in respect of acquisitions	36	**15.1**	5.1
Cash and cash equivalents acquired with subsidiaries		**(5.6)**	(11.6)
Bank overdrafts acquired with subsidiaries		**–**	(0.1)
Purchase of subsidiaries		**95.0**	146.8

Cash paid to settle contingent consideration in respect of acquisitions includes £11.6 million within the Euromoney segment, £3.3 million within the dmg information segment and £0.2 million within the dmg events segment.

The businesses acquired during the year absorbed £0.1 million of the Group's net operating cash flows, £nil was attributable to investing activities and £nil was attributable to financing activities.

18 Summary of the effects of disposals

In October 2014 the dmg media segment sold Jobsite, its remaining digital recruitment asset, for consideration of £92.1 million.

In October 2014 the dmg information segment disposed of Lewtan to Moody's Corporation for consideration of £19.2 million. Lewtan provides analytical tools and data for the structured finance market.

In September 2015 the dmg events segment disposed of its digital marketing portfolio to Comexposium Group for consideration of £7.7 million. The portfolio includes the interactive advertising and technology exhibition and conference ad:tech, the online marketing community iMedia, and the invitation-only networking club Collective Group.

The net assets disposed in relation to these businesses were as follows:

	Jobsite £m	Lewtan £m	Digital marketing £m
Goodwill	34.8	8.3	3.2
Intangible assets	3.1	8.9	–
Property, plant and equipment	1.3	0.6	0.2
Inventories	–	–	1.8
Trade and other receivables	8.9	7.4	2.1
Cash and cash equivalents	–	3.0	1.3
Trade and other payables	(5.2)	(8.3)	(4.9)
Corporation tax	–	0.2	–
Deferred tax	0.2	(3.3)	2.8
Net assets disposed	**43.1**	**16.8**	**6.5**
Profit/(loss) on sale	48.9	7.6	(3.8)
	92.0	**24.4**	**2.7**

Satisfied by:			
Cash received	92.1	19.2	7.7
Directly attributable costs paid	(0.5)	(0.2)	(1.7)
Working capital adjustment	0.4	–	–
Recycled cumulative translation differences	–	5.4	(3.3)
	92.0	**24.4**	**2.7**

During the year Jobsite generated £2.2 million of the Group's net operating cash flows, paid £nil in respect of investing activities and paid £nil in respect of financing activities.

During the year Lewtan absorbed £0.3 million of the Group's net operating cash flows, paid £nil in respect of investing activities and paid £nil in respect of financing activities.

During the year digital marketing generated £0.4 million of the Group's net operating cash flows, paid £nil in respect of investing activities and paid £nil in respect of financing activities.

The impact of the disposal of all businesses completed during the period on net assets is as follows:

	Note	Prior year assets held for sale disposed in current year £m	Adjustment on sale £m	Other current year disposals £m	Total £m
Goodwill	21	43.1	–	4.6	47.7
Intangible assets	22	11.5	0.5	1.1	13.1
Property, plant and equipment	23	1.9	–	0.3	2.2
Inventories		–	–	1.8	1.8
Trade and other receivables		15.4	0.8	2.5	18.7
Cash and cash equivalents		0.1	2.8	1.5	4.4
Trade and other payables		(12.9)	(0.6)	(5.3)	(18.8)
Corporation tax		(2.8)	3.0	–	0.2
Contingent consideration		–	–	(0.8)	(0.8)
Deferred tax	37	(3.2)	0.1	2.9	(0.2)
Net assets disposed		**53.1**	**6.6**	**8.6**	**68.3**
Profit on disposal of discontinued operations including recycled cumulative translation differences	19				48.9
Profit on disposal of businesses including recycled cumulative translation differences	8				8.6
					125.8

Satisfied by:		
Cash received		120.9
Directly attributable costs paid		(3.1)
Working capital adjustment		5.6
Recycled cumulative translation differences	8, 19, 39	2.1
Deferred consideration receivable		0.3
		125.8

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

	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Cash consideration net of disposal costs	**117.8**	65.1
Cash and cash equivalents disposed with subsidiaries	**(4.4)**	(2.8)
Proceeds on disposal of businesses	**113.4**	62.3

There is no tax charge in relation to these disposals (2014 £2.9 million).

In addition, the Group's interest in Euromoney was diluted during the year by 0.1% (2014 0.9%). Under the Group's accounting policy for the disposal of shares in controlled entities, no adjustment has been recorded to the fair value of assets and liabilities already held on the Condensed Consolidated Statement of Financial Position. The difference between the Group's share of net assets before and after this dilution is adjusted in retained earnings. The adjustment to retained earnings in the year was a charge of £0.2 million (2014 £2.9 million).

All of the businesses disposed of during the year generated £3.9 million to the Group's net operating cash flows, had £nil attributable to investing activities and £nil attributable to financing activities.

19 Discontinued operations

On 31 October 2014, Jobsite, the Group's remaining digital recruitment asset was sold for consideration of £92.1 million. In March 2014 the Group disposed of its recruitment businesses Broadbean and Oilcareers within the dmg media segment, followed by the disposal in April 2014 of Jobrapido, for which the fair value of total consideration received amounted to £60.4 million. The results of these digital recruitment businesses up to the point of disposal are included in discontinued operations for the current and prior year.

The Group's Consolidated Income Statement includes the following results from these discontinued operations:

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Revenue	3	**2.7**	53.2
Expenses		**(1.6)**	(37.5)
Depreciation	3	**–**	(0.7)
Amortisation of intangible assets not arising on business combinations	3	**–**	(0.5)
Adjusted operating profit	3	**1.1**	14.5
Exceptional operating costs	3, 13	**–**	(0.1)
Impairment of goodwill and intangible assets	3	**–**	(15.2)
Amortisation of intangible assets arising on business combinations	3	**–**	(1.4)
Profit/(loss) before tax		**1.1**	(2.2)
Tax charge	11	**–**	(0.3)
Profit/(loss) after tax attributable to discontinued operations		**1.1**	(2.5)
Profit on disposal of discontinued operations	13, 18	**48.9**	38.3
Recycled cumulative translation differences on disposal of discontinued operations	13, 18	**–**	1.4
Tax charge on profit on disposal of discontinued operations	11	**–**	(2.9)
Profit attributable to discontinued operations		**50.0**	34.3

Cash flows associated with discontinued operations comprise operating cash flows of £2.2 million (2014 £10.5 million), investing cash flows of £nil (2014 £nil) and financing cash flows of £nil (2014 £nil).

20 Total assets and liabilities of businesses held-for-sale

At 30 September 2015, the assets and liabilities held-for-sale principally relate to the remaining Digital Marketing assets of the dmg events segment and the Group's associate investment in Local World Holdings Ltd (Local World) in the dmg media segment. The majority of the digital marketing assets were sold to Comexposium UK Ltd on 31 October 2015, with the remainder expected to be disposed before 31 December 2015. The disposal of Local World to Trinity Mirror plc completed in November 2015. 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 value with all losses taken to the Consolidated Income Statement.

In the prior year, the assets and liabilities held for sale represent those of Lewtan in the dmg information segment and the remaining digital recruitment assets in the dmg media segment.

	Note	At 30 September 2015 £m	At 30 September 2014 £m
Goodwill		**0.3**	43.4
Intangible assets	22	**–**	11.5
Deferred tax	37	**–**	0.2
Property, plant and equipment	23	**0.1**	2.0
Interests in associates	25	**24.6**	–
Inventories	27	**0.6**	–
Trade and other receivables	28	**2.5**	17.9
Cash and cash equivalents	29	**0.6**	0.5
Total assets associated with businesses held-for-sale		**28.7**	75.5
Trade and other payables	30	**(5.4)**	(16.9)
Current tax	31	**–**	(2.8)
Deferred tax	37	**–**	(3.4)
Provisions		**(0.3)**	(0.3)
Total liabilities associated with businesses held-for-sale		**(5.7)**	(23.4)
Net assets of the disposal group		**23.0**	52.1

21 Goodwill

	Note	Goodwill £m
Cost		
At 30 September 2013		796.3
Additions		95.3
Disposals		(14.5)
Classified as held-for-sale	20	(58.7)
Exchange adjustment		(1.1)
At 30 September 2014		817.3
Additions	17	140.1
Adjustment to previous year estimate of contingent consideration	36	(0.5)
Disposals	18	(18.9)
Exchange adjustment		28.3
At 30 September 2015		**966.3**

	Note	Goodwill £m
Accumulated impairment losses		
At 30 September 2013		64.8
Impairment	3	11.6
Disposals		(8.1)
Classified as held-for-sale	20	(15.6)
At 30 September 2014		52.7
Impairment	3	18.5
Disposals	18	(14.3)
Exchange adjustment		0.7
At 30 September 2015		**57.6**
Net book value – 2013		731.5
Net book value – 2014		764.6
Net book value – 2015		**908.7**

Goodwill impairment losses recognised in the year amounted to £18.5 million (2014 £11.6 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 cash generating unit (CGU) that is significant. The Group considers this to be the case when the goodwill carrying value of the individual CGU is 15.0% or more of the Group's total carrying value of goodwill.

Using this criteria the only significant items of goodwill included in the net book value above relate to BCA, a business within Metal Bulletin Plc in the Euromoney segment and Genscape Inc in the dmg information segment.

21 Goodwill continued

BCA goodwill has a carrying value of £153.0 million (2014 £142.6 million) together with intangible assets with a carrying value of £50.8 million (2014 £52.8 million). The recoverable amount 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) cash flows for the business for the following year derived from budgets for 2016. The Directors believe these to be reasonably achievable;

(ii) subsequent cash flows for three additional years increased in line with growth expectations of the business;

(iii) cash flows beyond the four-year period extrapolated using a long-term nominal growth rate of 2%; and

(iv) a pre-tax discount rate of 12.5%.

The key underlying assumptions relevant in determining the cash flows for BCA include continued revenue growth from the investment of new research and digital products.

Using the above methodology the recoverable amount exceeded the total carrying value by £150.3 million (2014 £155.3 million). For this business the Directors performed a sensitivity analysis on the total carrying value of the CGU. For the recoverable amount to be equal to the carrying value the discount rate would need to increase by 10.2% to 22.7% (2014 by 10.3% to 19.8%), the long-term growth rate would need to decline by 29.1% to -27.1% (2014 by 28.9% to -28.9%) or the CGU would need to miss budget by 44.5%.

Genscape goodwill has a carrying value of £170.0 million (2014 £80.3 million) together with intangible assets with a carrying value of £73.3 million (2014 £34.2 million). The recoverable amount 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) cash flows for the business for the following year derived from budgets for 2016. The Directors believe these to be reasonably achievable;

(ii) subsequent cash flows for four additional years increased in line with growth expectations of the business;

(iii) cash flows beyond the five-year period extrapolated using a long-term nominal growth rate of 3.0%; and

(iv) a pre-tax discount rate of 19.2%.

The key underlying assumptions relevant in determining the cash flows for Genscape include the acquisition of several investment-stage businesses that are dilutive to near-term profits, and continued investment in both organic product development and its sales teams to drive revenue growth.

Using the above methodology the recoverable amount exceeded the total carrying value by £34.9 million (2014 £118.8 million). For this business the Directors performed a sensitivity analysis on the total carrying value of the CGU. For the recoverable amount to be equal to the carrying value the discount rate would need to increase by 0.99% to 20.16% (2014 by 6.59% to 22.72%), the long-term growth rate would need to decline by 1.38% to 1.62% (2014 by 11.14% to -8.14%) or the CGU would need to miss budget by 44.8%.

For the other CGUs, IAS 36 provides that, if there is any reasonably possible change to a key assumption that would cause the CGU's carrying amount to exceed its recoverable amount, further disclosures are required.

The Group has therefore provided additional disclosures for its investments in NDR, a business within the Euromoney segment, and Xceligent a business within the dmg information segment.

NDR goodwill has a carrying value of £68.2 million (2014 £56.8 million) together with intangible assets with a carrying value of £25.5 million (2014 £26.9 million). The recoverable amount of NDR 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) cash flows for the business for the following year derived from budgets for 2016. The Directors believe these to be reasonably achievable;

(ii) subsequent cash flows for three additional years increased in line with growth expectations of the business;

(iii) cash flows beyond the four-year period extrapolated using a long-term nominal growth rate of 2%; and

(iv) a pre-tax discount rate of 13%.

The key underlying assumptions relevant in determining the cash flows for NDR include investment plans for key growth initiatives including a new product structure with unbundled pricing around data, application and other premium services, and the expansion of international presence in Europe and Asia Pacific.

Using the above methodology the recoverable amount exceeded the total carrying value by £16.1 million (2014 £10.7 million). For this business the Directors performed a sensitivity analysis on the total carrying value of the CGU. For the recoverable amount to be equal to the carrying value the discount rate would need to increase by 3.2% to16.2%, the long-term growth rate would need to decline by 29.1% to -27.1% or the CGU would need to miss budget by 19.2%.

Xceligent goodwill has a carrying value of £9.4 million (2014 £9.4 million) together with intangible assets with a carrying value of £9.5 million (2014 £6.1 million). The recoverable amount of Xceligent 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) cash flows for the business for the following year derived from budgets for 2016. The Directors believe these to be reasonably achievable;

(ii) subsequent cash flows for eight additional years increased in line with growth expectations of the business;

(iii) cash flows beyond the eight-year period extrapolated using a long-term nominal growth rate of 3%; and

(iv) a pre-tax discount rate of 19.2%.

The key underlying assumptions relevant in determining the eight-year cash flows for Xceligent include focusing on existing markets together with new CRE market launches during 2016, but no new market expansion assumed thereafter.

Using the above methodology the recoverable amount exceeded the total carrying value by £5.4 million (2014 £31.8 million). For this business the Directors performed a sensitivity analysis on the total carrying value of the CGU. For the recoverable amount to be equal to the carrying value the discount rate would need to increase by 1.05% to 20.25%, the long-term growth rate would need to decline by 1.86% to 1.14% or the CGU would need to miss budget by 7.3%.

The impairment charge is analysed by major CGU as follows:

CGU	Segment	Goodwill impairment £m	Intangible asset impairment £m	Recoverable amount £m	2015 discount rate %	2014 discount rate %	Reason for impairment charge
Hedgefund Intelligence	Euromoney	4.8	–	19.0	12.9%	9.5%	Deterioration in trading conditions
Centre for Investor Education	Euromoney	3.0	–	7.0	13.8%	11.0%	Financial and governance irregularities discovered since acquisition
Indaba	Euromoney	10.7	–	32.0	13.5%	11.0%	Deterioration of trading conditions in commodities and emerging markets
Total		**18.5**	**–**	**58.0**			

Recoverable amounts have been determined using value in use calculations for all of the above CGUs.

22 Other intangible assets

	Note	Publishing rights, mastheads and titles £m	Brands £m	Market and customer-related databases and customer relationships £m	Computer software (i) £m	Other £m	Total £m
Cost							
At 30 September 2013		250.6	93.3	195.9	207.2	6.9	753.9
Additions from business combinations		1.7	22.8	54.2	9.3	2.1	90.1
Other additions		–	1.0	–	3.2	0.4	4.6
Internally generated		–	–	–	71.8	–	71.8
Disposals		(3.9)	(6.0)	(30.4)	(7.9)	(0.1)	(48.3)
Classified as held-for-sale	20	–	(7.4)	(13.7)	(7.7)	(0.4)	(29.2)
Reclassifications		–	–	–	–	(1.6)	(1.6)
Exchange adjustment		(0.1)	(0.3)	(0.8)	1.2	0.1	0.1
At 30 September 2014		248.3	103.4	205.2	277.1	7.4	841.4
Analysis reclassifications		(0.2)	0.5	(1.8)	(1.4)	2.9	–
Additions from business combinations	17	–	6.3	17.1	31.9	(0.1)	55.2
Other additions		–	–	–	3.4	–	3.4
Internally generated	(i)	–	–	–	53.1	–	53.1
Disposals	18	(1.3)	(30.0)	(8.1)	(2.1)	(0.4)	(41.9)
Exchange adjustment		7.8	3.9	6.7	14.2	0.6	33.2
At 30 September 2015		**254.6**	**84.1**	**219.1**	**376.2**	**10.4**	**944.4**

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22 Other intangible assets continued

	Note	Publishing rights, mastheads and titles £m	Brands £m	Market and customer related databases and customer relationships £m	Computer software (i) £m	Other £m	Total £m
Accumulated amortisation							
At 30 September 2013		160.1	64.8	106.4	95.2	2.1	428.6
Charge for the year		7.5	7.8	17.7	18.6	0.8	52.4
Impairment	3	–	–	7.1	45.9	0.1	53.1
Disposals		(3.9)	(4.1)	(22.5)	(5.4)	–	(35.9)
Classified as held-for-sale	20	–	(3.6)	(9.9)	(4.2)	–	(17.7)
Reclassifications	23	–	(0.7)	0.8	(1.2)	–	(1.1)
Exchange adjustment		0.1	–	–	1.3	(0.1)	1.3
At 30 September 2014		163.8	64.2	99.6	150.2	2.9	480.7
Analysis reclassifications		5.8	(5.6)	(0.2)	(0.5)	0.5	–
Charge for the year	3	7.7	7.3	16.7	29.8	0.9	62.4
Disposals	18	(1.3)	(29.8)	(7.9)	(1.0)	(0.3)	(40.3)
Exchange adjustment		3.5	2.6	4.2	7.3	0.1	17.7
At 30 September 2015		**179.5**	**38.7**	**112.4**	**185.8**	**4.1**	**520.5**
Net book value – 2013		90.5	28.5	89.5	112.0	4.8	325.3
Net book value – 2014		84.5	39.2	105.6	126.9	4.5	360.7
Net book value – 2015		**75.1**	**45.4**	**106.7**	**190.4**	**6.3**	**423.9**

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

	£m
Cost	
At 30 September 2013	186.6
Additions	75.1
Disposals	(6.7)
Analysis reclassifications	(1.6)
Classified as held-for-sale	(7.7)
Exchange adjustment	1.2
At 30 September 2014	246.9
Additions	56.5
Disposals	(8.2)
Exchange adjustment	12.7
At 30 September 2015	**307.9**
Accumulated amortisation	
At 30 September 2013	86.0
Analysis reclassifications	(1.2)
Charge for the year	14.3
Impairment	45.9
Disposals	(4.1)
Classified as held-for-sale	(4.2)
Exchange adjustment	0.6
At 30 September 2014	137.3
Charge for the year	23.2
Disposals	(0.5)
Exchange adjustment	6.6
At 30 September 2015	**166.6**
Net book value – 2013	100.6
Net book value – 2014	109.6
Net book value – 2015	**141.3**

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 since they have not yet been brought into use.

	£m
Cost	
At 30 September 2013	67.0
Additions	47.2
Impairment	(44.6)
Projects completed	(5.9)
Exchange adjustment	(9.8)
At 30 September 2014	53.9
Additions	36.8
Projects completed	(9.4)
Exchange adjustment	5.4
At 30 September 2015	**86.7**

The Group's most significant intangible asset in the course of construction relates to RMS(one).

The RMS(one) intangible asset has a carrying value of £67.5 million (2014 £41.2 million) which has been assessed for recoverability 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 2016. The Directors believe these to be reasonably achievable;

(ii) cash flows over six years post launch;

(iii) the rate at which core clients start to use the RMS(one) platform;

(iv) pre-tax discount rate of 17.4%; and

(v) average annual growth rates of 7% in the core underlying business.

Using the above methodology the recoverable amount exceeded the carrying value and accordingly no impairment charge was recorded in the year.

RMS(one) was originally scheduled for general release in April 2014 but the launch was postponed. At 30 September 2014 the expectation was that there would be a general release in October 2015. It was also assumed that, post launch, there would continue to be capitalisation of development, in respect of additional applications and features. The impairment review as at 30 September 2014 resulted in an impairment charge of £44.6 million and the asset being written down to £41.2 million.

RMS(one) is now expected to be released in stages to select clients. Capitalisation of development expenditure is expected to continue to the end of August 2016, with an assumption that the general release date will be towards the end of 2016.

Due to continued uncertainties in respect of the release schedule, the ramp-up in platform and software revenues following launch and the rate at which existing clients migrate to the new platform, the Directors have performed appropriate sensitivities in relation to these key assumptions and have concluded that these do not indicate a potential impairment.

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 2015 Carrying value £m	At 30 September 2014 Carrying value £m	At 30 September 2015 Remaining amortisation period Years	At 30 September 2014 Remaining amortisation period Years
RMS(one)	RMS	**67.5**	41.2	**n/a(i)**	n/a(i)
BCA mastheads	Euromoney	**43.5**	44.4	**20.8**	21.8
DIIG	dmg information	**30.2**	34.0	**9.0**	10.0
Ned Davis Research Group customer relationships	Euromoney	**18.4**	18.9	**7.8**	8.8
Associated Mediabase software	dmg media	**13.9**	17.2	**1.7**	2.7
Indaba	Euromoney	**13.6**	14.3	**19.0**	20.0
Metal Bulletin mastheads	Euromoney	**13.4**	14.6	**20.8**	21.8
Locus Energy proprietary technology platform	dmg information	**13.0**	n/a	**10.0**	n/a
Genscape intellectual property	dmg information	**10.7**	10.9	**10.5**	11.5
Hobsons	dmg information	**8.1**	17.1	**2.0**	3.0

(i) RMS(one) has not yet been brought into use and accordingly no amortisation has been charged.

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23 Property, plant and equipment

	Note	Freehold properties £m	Long leasehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Cost						
At 30 September 2013		63.3	5.6	35.8	308.2	412.9
Owned by subsidiaries acquired		–	–	–	2.3	2.3
Additions		–	–	5.4	24.0	29.4
Disposals		(1.9)	–	(0.5)	(33.6)	(36.0)
Classified as held-for-sale	20	–	–	–	(13.9)	(13.9)
Owned by subsidiaries disposed		–	–	(0.2)	(1.7)	(1.9)
Reclassifications		3.9	–	–	1.9	5.8
Exchange adjustment		–	0.1	0.2	(0.6)	(0.3)
At 30 September 2014		65.3	5.7	40.7	286.6	398.3
Owned by subsidiaries acquired	17	–	–	–	0.3	0.3
Additions		–	0.1	3.5	25.1	28.7
Disposals		(6.4)	(2.6)	(10.3)	(21.2)	(40.5)
Classified as held-for-sale	20	–	–	–	(0.1)	(0.1)
Owned by subsidiaries disposed	18	–	–	–	(0.7)	(0.7)
Reclassifications		–	(2.5)	2.5	–	–
Exchange adjustment		–	0.1	1.5	6.1	7.7
At 30 September 2015		**58.9**	**0.8**	**37.9**	**296.1**	**393.7**

	Note	Freehold properties £m	Long leasehold properties £m	Short leasehold properties £m	Plant and equipment £m	Total £m
Accumulated depreciation and impairment						
At 30 September 2013		6.4	1.1	20.4	176.4	204.3
Charge for the year	3	3.0	0.1	2.6	28.9	34.6
Disposals		(0.5)	–	(0.5)	(28.9)	(29.9)
Classified as held-for-sale	20	–	–	–	(12.0)	(12.0)
Owned by subsidiaries disposed		–	–	–	(1.2)	(1.2)
Reclassifications		3.9	–	–	1.4	5.3
Exchange adjustment		–	–	–	(0.5)	(0.5)
At 30 September 2014		12.8	1.2	22.5	164.1	200.6
Charge for the year	3	1.8	0.1	2.8	28.2	32.9
Impairment		–	–	–	1.6	1.6
Disposals		(0.6)	(0.5)	(6.9)	(19.2)	(27.2)
Owned by subsidiaries disposed	18	–	–	–	(0.4)	(0.4)
Reclassifications		–	(0.5)	0.5	–	–
Exchange adjustment		–	0.1	0.8	4.2	5.1
At 30 September 2015		**14.0**	**0.4**	**19.7**	**178.5**	**212.6**
Net book value – 2013		56.9	4.5	15.4	131.8	208.6
Net book value – 2014		52.5	4.5	18.2	122.5	197.7
Net book value – 2015		**44.9**	**0.4**	**18.2**	**117.6**	**181.1**

24 Investment property

	Freehold properties £m
Cost	
At 30 September 2013	27.4
Disposals	(1.8)
At 30 September 2014	25.6
Disposals	(25.1)
At 30 September 2015	**0.5**

	Note	Freehold properties £m
Accumulated depreciation and impairment		
At 30 September 2013		22.0
Disposals		(1.5)
Charge for the year	3	0.2
Impairment	3	0.6
At 30 September 2014		21.3
Disposals		(20.9)
Charge for the year	3	0.1
At 30 September 2015		**0.5**
Net book value – 2013		5.4
Net book value – 2014		4.3
Net book value – 2015		**–**

The fair value of the Group's investment properties at 30 September 2015 was £0.3 million (2014 £4.6 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 £0.2 million (2014 £0.3 million). Direct operating expenses arising on the investment properties in the year amounted to £0.5 million (2014 £1.4 million). There are no tenants in occupation at the Group's remaining investment properties. In the prior year, leases on these properties had an expiry date of between one and five years.

25 Investments in joint ventures and associates

	Note	Cost of shares £m	Share of post-acquisition retained reserves £m	Total £m
Joint ventures				
At 30 September 2013		142.5	(7.6)	134.9
Additions – cash		10.2	–	10.2
Disposals		(62.0)	8.0	(54.0)
Impairment	7	(0.4)	–	(0.4)
Share of retained reserves		–	5.7	5.7
Dividends received	(i)	–	(18.8)	(18.8)
Transfer to investment in associates	(ii)	(79.1)	1.0	(78.1)
Exchange adjustment		–	1.0	1.0
At 30 September 2014		11.2	(10.7)	0.5
Reanalysis		1.8	(1.8)	–
Additions – cash		2.1	–	2.1
Share of retained reserves	7	–	(0.1)	(0.1)
Dividends received	(i)	–	(0.1)	(0.1)
Impairment	7	(1.7)	–	(1.7)
Reclassification from other debtors		1.0	–	1.0
Transfer to investment in subsidiaries	17 (iii)	(1.9)	1.5	(0.4)
Exchange adjustment		0.1	(0.1)	–
At 30 September 2015		**12.6**	**(11.3)**	**1.3**

(i) The Group received dividends in the year from Point X Ltd in the dmg information segment. In the prior year, dividends received relate to the Group's interest in Zoopla in the dmg media segment.

(ii) Following the IPO of Zoopla during the prior year the Group disposed of 38.9% of its 52.1% holding. The Group's remaining 31.32% holding is classified within associates.

(iii) During the year the Group increased its interests in TreppPort Inc and Commodity Vectors Inc, both held by the dmg information segment and obtained control.

25 Investments in joint ventures and associates continued

Summary aggregated financial information for the Group's joint ventures, extracted on a 100% basis from the joint ventures' own financial information at 30 September 2015 is set out below:

Year ended 30 September 2015	Revenue £m	Operating profit/(loss) £m	Total expenses £m	Profit/(loss) for the year and total comprehensive income £m
dmg information	33.5	4.1	(30.8)	2.7
dmg media	6.8	(2.1)	(9.4)	(2.6)
	40.3	2.0	(40.2)	0.1

At 30 September 2015	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net (liabilities)/ assets £m
dmg information	8.4	18.1	26.5	(11.2)	(11.9)	(23.1)	3.4
dmg media	1.7	3.0	4.7	(10.7)	(2.1)	(12.8)	(8.1)
	10.1	21.1	31.2	(21.9)	(14.0)	(35.9)	(4.7)

Year ended 30 September 2014	Revenue £m	Operating profit £m	Total expenses £m	Profit for the year and total comprehensive income £m
dmg information	31.7	0.6	(31.6)	0.1
dmg media	59.5	20.5	(46.4)	13.1
	91.2	21.1	(78.0)	13.2

At 30 September 2014	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net assets/ (liabilities) £m
dmg information	7.8	12.0	19.8	(6.4)	(2.2)	(8.6)	11.2
dmg media	1.4	4.2	5.6	(8.2)	(2.4)	(10.6)	(5.0)
	9.2	16.2	25.4	(14.6)	(4.6)	(19.2)	6.2

At 30 September 2015 the Group's joint ventures had capital commitments amounting to £nil (2014 £nil). There were no material contingent assets (2014 none).

Information on principal joint ventures:

	Segment	Principal activity	Year ended	Description of holding	Group interest %
Unlisted					
Mail Today Newspapers Pte Ltd (incorporated and operating in India)	dmg media	Publisher of classified publications	30 September 2015	Ordinary	26.00%
The Sanborn Map Company Inc (incorporated and operating in the US)	dmg information	Photogrammetric mapping and GIS data conversion	30 September 2015	Preferred stock	49.00%

	Note	Cost of shares £m	Share of post-acquisition retained reserves £m	Total £m
Associates				
At 30 September 2013		66.8	(16.1)	50.7
Additions – cash		10.3	–	10.3
Share of retained reserves		–	9.4	9.4
Dividends received	(i)	–	(6.4)	(6.4)
Impairment		(0.4)	–	(0.4)
Transfer to investment in subsidiaries		(7.0)	4.3	(2.7)
Transfer from investment in joint ventures	(ii)	79.1	(1.0)	78.1
Exchange adjustment		0.1	(0.5)	(0.4)
At 30 September 2014		148.9	(10.3)	138.6
Additions – cash		12.8	–	12.8
Additions – non-cash	8	32.0	–	32.0
Share of retained reserves	7	–	13.1	13.1
Dividends received	(i)	–	(26.5)	(26.5)
Transfer to investment in subsidiaries	17 (iii)	(4.2)	–	(4.2)
Transfer from available-for-sale investments	(iv)	1.1	2.1	3.2
Disposals	(v)	(4.1)	0.7	(3.4)
Classified as held-for-sale	20	(25.0)	0.4	(24.6)
Exchange adjustment		0.8	0.1	0.9
At 30 September 2015		**162.3**	**(20.4)**	**141.9**

The cumulative unrecognised share of losses of the Group's associates principally comprises £13.2 million (2014 £10.5 million) in relation to the Group's investment in ITN.

Joint ventures and associates have been accounted for under the equity method using unaudited financial information to 30 September 2015. Net assets amounting to £24.6 million (2014 £nil) within the dmg media segment are held-for-sale.

(i) Dividends received in the current and prior year principally relate to the Group's investments in Zoopla (£2.7 million, 2014 £nil) and Local World (£23.2 million, 2014 £6.1 million) in the dmg media segment.

(ii) Following the IPO of Zoopla during the prior year the Group disposed of 38.9% of its 52.1% holding. The Group's remaining 31.32% holding is classified within associates.

(iii) During the year the Group increased its interest in Petrotranz Inc held by the dmg information segment and obtained control.

(iv) During the year, the Group acquired an additional interest in WellAware Holdings Inc (WellAware), taking its overall holding to 8.2%. By virtue of the Group's board representation and shareholder rights the Group now has significant influence over WellAware and has treated this investment as an associate (See Note 26).

(v) During the year the Group disposed of Capital NET Ltd within the Euromoney segment, Cougar Software Pty Ltd in the dmg information segment and 1.38% of its holding in Zoopla in the dmg media segment.

25 Investments in joint ventures and associates continued

Summary aggregated financial information for the Group's associates, extracted on a 100% basis from the associates' own financial information is set out below:

Year ended 30 September 2015	Revenue £m	Operating profit/ (loss) £m	Total expenses £m	Profit/(loss) for the year £m	Other comprehensive expense £m	Total comprehensive (expense)/ income £m
RMS	**3.5**	**(1.1)**	**(4.6)**	**(1.1)**	**–**	**(1.1)**
dmg information	**28.5**	**(15.1)**	**(44.2)**	**(15.7)**	**–**	**(15.7)**
dmg events	**1.3**	**0.1**	**(1.2)**	**0.1**	**–**	**0.1**
Euromoney	**75.4**	**4.4**	**(79.8)**	**(4.4)**	**–**	**(4.4)**
dmg media	**345.6**	**69.9**	**(364.9)**	**(19.3)**	**(16.8)**	**(36.1)**
	454.3	**58.2**	**(494.7)**	**(40.4)**	**(16.8)**	**(57.2)**

At 30 September 2015	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net assets £m
RMS	**6.0**	**2.2**	**8.2**	**(0.8)**	**–**	**(0.8)**	**7.4**
dmg information	**8.8**	**53.0**	**61.8**	**(21.7)**	**(25.5)**	**(47.2)**	**14.6**
dmg events	**0.3**	**–**	**0.3**	**(0.1)**	**(0.2)**	**(0.3)**	**–**
Euromoney	**485.1**	**25.8**	**510.9**	**(259.0)**	**(7.5)**	**(266.5)**	**244.4**
dmg media	**326.7**	**134.8**	**461.5**	**(93.5)**	**(203.0)**	**(296.5)**	**165.0**
	826.9	**215.8**	**1,042.7**	**(375.1)**	**(236.2)**	**(611.3)**	**431.4**

Year ended 30 September 2014	Revenue £m	Operating profit/(loss) £m	Total expenses £m	Profit/(loss) for the year and total comprehensive income/ (expense) £m
RMS	2.5	(1.1)	(3.6)	(1.1)
dmg information	28.2	(0.2)	(28.6)	(0.4)
dmg events	0.8	–	(0.8)	–
Euromoney	2.4	1.1	(1.6)	0.8
dmg media	199.9	45.1	(173.7)	26.2
	233.8	44.9	(208.3)	25.5

At 30 September 2014	Non-current assets £m	Current assets £m	Total assets £m	Current liabilities £m	Non-current liabilities £m	Total liabilities £m	Net assets £m
RMS	5.9	6.4	12.3	(1.4)	–	(1.4)	10.9
dmg information	9.9	22.9	32.8	(16.4)	(4.8)	(21.2)	11.6
dmg events	–	0.5	0.5	(0.4)	–	(0.4)	0.1
Euromoney	–	0.9	0.9	(0.3)	–	(0.3)	0.6
dmg media	76.7	163.9	240.6	(67.6)	(9.6)	(77.2)	163.4
	92.5	194.6	287.1	(86.1)	(14.4)	(100.5)	186.6

At 30 September 2015 the Group's associates had capital commitments amounting to £nil (2014 £nil). There were no material contingent liabilities (2014 none).

Information on principal associates:

	Segment	Note	Principal activity	Year ended	Description of holding	Group interest %
Unlisted						
Zoopla Property Group Plc (incorporated and operating in the UK)	dmg media	(i)	Online property portal	30 September 2015	Ordinary	31.32%
Local World (incorporated and operating in the UK)	dmg media		Publisher of local news	31 December 2014	Ordinary	38.70%
Real Capital Analytics Inc (incorporated and operating in the US)	dmg information		Provider of real estate information	30 September 2015	Preferred stock	39.73%
Independent Television News Ltd (incorporated and operating in the UK)	dmg media		Independent TV news provider	31 December 2014	Ordinary	20.00%
Praedicat Inc (incorporated and operating in the US)	RMS		Provision of catastrophe risk analytics	30 September 2015	Preferred stock	29.60%
Diamond Topco Ltd (Dealogic) (incorporated and operating in the UK)	Euromoney		Provision of data and analytics, market intelligence and capital markets software solutions to investment banks	31 December 2014	Ordinary	10.52%

(i) Previously the Group had joint management control of Zoopla and the Group's investment was treated as a joint venture. However, during the prior year the Group disposed of 38.9% of its 52.1% holding in Zoopla following Zoopla's IPO and the Group's investment was reclassified to associates. The market value of the Group's investment in Zoopla at 30 September 2015 was £273.6 million (2014 £314.1 million).

The Group does not have the power to control the majority of shareholder voting rights nor the Board of Directors. With an effective interest of 31.32% the Group has treated this investment as an associated undertaking.

Summary financial information for Zoopla, extracted on a 100% basis from Zoopla's own financial statements, for the year to September 2015 is set out below:

	£m
Revenue	107.6
Depreciation and amortisation	(4.1)
Profit from continuing operations	34.6
Interest income	0.2
Interest expense	(1.2)
Tax charge	(8.2)
Post-tax profit from operations	25.4
Total comprehensive income	25.4

	£m
Non-current assets	263.1
Cash and cash equivalents	19.2
Other current assets	22.7
Total assets	305.0
Current liabilities	(62.9)
Non-current liabilities	(124.9)
Total liabilities	(187.8)
Net assets	117.2

Group interest (31.32%)	36.7
Goodwill and intangibles carrying value	44.8
Group carrying value	81.5

25 Investments in joint ventures and associates continued

Summary financial information for Local World, extracted on a 100% basis from Local World's own financial statements, for the year to 31 December 2014 and management information to 30 September 2015 is set out below:

	£m
Revenue	212.2
Depreciation and amortisation	(20.9)
Profit from continuing operations	22.0
Interest expense	(1.2)
Tax charge	(5.1)
Post-tax profit from operations	15.7
Total comprehensive income	15.7

	£m
Non-current assets	48.5
Cash and cash equivalents	25.9
Other current assets	32.0
Total assets	106.4
Current financial liabilities	(12.5)
Current liabilities	(34.3)
Non-current financial liabilities	(31.2)
Total liabilities	(78.0)
Net assets	28.4

Group interest (38.70%)	11.0
Goodwill and intangibles carrying value	13.6
Group carrying value	24.6

26 Available-for-sale investments

	Note	Unlisted £m
At 30 September 2013		2.7
Additions		4.1
Disposals		(0.4)
Exchange adjustment		0.4
At 30 September 2014		6.8
Additions		11.3
Disposals		(0.3)
Transfer to investment in associates	(i)	(3.2)
Impairment charge	8	(1.0)
Exchange adjustment		0.2
At 30 September 2015		**13.8**

The investments above represent unlisted securities, which are recorded as non-current assets unless they are expected to be sold within one year, in which case they are recorded as current assets. Since there is no active market upon which they are traded, unlisted securities are recorded at cost less provision for impairment, as their fair values cannot be reliably measured.

(i) During the year, the Group acquired an additional interest in WellAware Holdings Inc, taking its overall holding to 8.2%. By virtue of the Group's board representation and shareholder rights the Group now has significant influence over WellAware and has treated this investment as an associate (see Note 25).

Available-for-sale investments are analysed as follows:

	Note	At 30 September 2015 £m	At 30 September 2014 £m
Unlisted			
Zanbato Inc	(i)	**3.5**	–
Estimize Inc	(ii)	**2.3**	–
Taboola.com Ltd	(iii)	**2.0**	–
CompStak Inc	(iv)	**0.5**	–
Propstak Services Pvt Ltd	(v)	**0.6**	–
WellAware Holdings Inc	(vi)	**–**	3.1
Pascal Metrics Inc	(vii)	**1.3**	0.6
Chemd Holdings Ltd	(viii)	**–**	0.5
Other		**3.6**	2.6
		13.8	6.8

(i) Zanbato Inc offers a technology platform which connects institutional investors with alternative investment opportunities.

(ii) Estimize Inc is an open financial estimates platform which aggregates fundamental estimates from independent analysts, private investors and students.

(iii) Taboola.com Ltd provides a content marketing platform that provides a web widget to content creators on their website to show contents that include relevant links within the site and from other publishers.

(iv) CompStak Inc provides commercial real estate information to brokers, appraisers, researchers, landlords, lenders and investors.

(v) Propstak Services Pvt Ltd provides commercial real estate information to its clients in India.

(vi) WellAware Holdings Inc provides oilfield data collection, storage, visualisation and decision analysis, delivering intelligence to its customers.

(vii) Pascal Metrics Inc is used by healthcare organisations, including hospitals, to improve patient safety and clinical reliability by measuring and using workforce and clinical data.

(viii) Chemd Holdings Ltd is the holding company for ChemistDirect, an online pharmacy-led health and beauty retailer.

Information on principal available-for-sale investments, taken from the latest published accounts is as follows:

	Note	Class of holding	Group interest %
Zanbato Inc (incorporated and operating in the US)		Ordinary	6.7%
Estimize Inc (incorporated and operating in the US)		Ordinary	6.8%
Taboola.com Ltd (incorporated and operating in the US)		Ordinary	0.4%
CompStak Inc (incorporated and operating in the US)		Ordinary	2.0%
Propstak Services Pvt Ltd (incorporated and operating in India)		Ordinary	12.5%
The Press Association Ltd (incorporated and operating in the UK)		Ordinary	15.6%
Brit Media Inc (incorporated and operating in the US)		Ordinary	1.6%
Cue Ball Capital LP (incorporated and operating in the US)		Limited Partner	3.0%
Pascal Metrics Inc (incorporated and operating in the US)		Ordinary	2.6%
Financial Network Analytics Ltd (incorporated and operating in the UK)		Ordinary	10.0%
Evening Standard Ltd (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.

26 Available-for-sale investments continued

Currency analysis of available-for-sale investments:

	At 30 September 2015 £m	At 30 September 2014 £m
Sterling	**10.0**	0.7
US dollar	**3.5**	5.7
Euro	**0.3**	0.4
	13.8	6.8

Interest analysis of available-for-sale investments:

	At 30 September 2015 £m	At 30 September 2014 £m
Non-interest bearing	**13.8**	6.8

27 Inventories

	Note	At 30 September 2015 £m	At 30 September 2014 £m
Raw materials and consumables		**7.3**	8.4
Work in progress		**23.6**	15.5
Finished goods		**1.1**	–
		32.0	23.9
Classified as held-for-sale	20	**(0.6)**	–
		31.4	23.9

28 Trade and other receivables

	Note	At 30 September 2015 £m	At 30 September 2014 £m
Current assets			
Trade receivables		**209.2**	201.3
Allowance for doubtful debts		**(14.6)**	(12.8)
		194.6	188.5
Prepayments and accrued income		**85.7**	84.2
Other receivables		**44.4**	21.8
		324.7	294.5
Classified as held-for-sale	20	**(2.5)**	(17.9)
		322.2	276.6
Non-current assets			
Trade receivables		**2.5**	–
Prepayments and accrued income		**4.5**	1.8
Other receivables		**8.2**	5.0
		15.2	6.8
		337.4	283.4

Movement in the allowance for doubtful debts:

	At 30 September 2015 £m	At 30 September 2014 £m
At start of year	**(12.8)**	(22.2)
Impairment losses recognised	**(8.3)**	(8.4)
Amounts written off as uncollectable	**3.1**	13.5
Amounts recovered during the year	**3.6**	4.3
Owned by subsidiaries disposed	**0.2**	–
Exchange adjustment	**(0.4)**	–
At end of year	**(14.6)**	(12.8)

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 2015 £m	At 30 September 2014 £m
0 – 30 days	**1.7**	2.7
31 – 60 days	**0.6**	0.6
61 – 90 days	**2.3**	0.8
91 – 120 days	**2.6**	0.2
121+ days	**7.4**	8.5
Total	**14.6**	12.8

Included in the Group's trade receivables are debtors with a carrying value of £84.0 million (2014 £53.2 million) which are past due at 30 September 2015 for which no allowance has been made. The Group is not aware of any deterioration in the credit quality of these customers and considers that the amounts are still recoverable.

Ageing of past due but not impaired receivables:

	At 30 September 2015 £m	At 30 September 2014 £m
1 – 30 days overdue	**36.5**	23.8
31 – 60 days overdue	**18.2**	14.8
61 – 90 days overdue	**6.3**	6.0
91+ days overdue	**23.0**	8.6
Total	**84.0**	53.2

The carrying amount of trade and other receivables approximates to their fair value.

29 Cash and cash equivalents

	Note	At 30 September 2015 £m	At 30 September 2014 £m
Cash and cash equivalents		**32.2**	29.0
Classified as held-for-sale	20	**(0.6)**	(0.5)
		31.6	28.5
Cash and cash equivalents		**32.2**	29.0
Unsecured bank overdrafts	33	**(0.7)**	–
Cash and cash equivalents in the cash flow statement	16	**31.5**	29.0
Analysis of cash and cash equivalents by currency:			
Sterling		**4.5**	5.6
US dollar		**2.7**	6.5
Australian dollar		**0.1**	0.6
Canadian dollar		**4.5**	0.8
Euro		**6.0**	2.2
Other		**13.8**	12.8
		31.6	28.5
Analysis of cash and cash equivalents by interest type:			
Floating rate interest		**31.6**	28.5

The carrying amount of cash and cash equivalents equate to their fair values.

30 Trade and other payables

	Note	At 30 September 2015 £m	At 30 September 2014 £m
Current liabilities			
Trade payables		**66.8**	51.6
Interest payable		**14.2**	21.7
Other taxation and social security		**21.5**	24.7
Other creditors		**45.0**	37.4
Accruals		**232.2**	235.5
Deferred income		**325.0**	293.1
Classified as held-for-sale	20	**(5.4)**	(16.9)
		699.3	647.1
Non-current liabilities			
Other creditors		**4.2**	1.9
		703.5	649.0

The carrying amount of trade and other payables approximates to their fair value.

31 Current tax

	Note	At 30 September 2015 £m	At 30 September 2014 £m
Corporation tax payable		**18.9**	15.2
Classified as held-for-sale	20	**–**	(2.8)
		18.9	12.4
Corporation tax receivable		**(7.4)**	(9.4)
		11.5	3.0

32 Acquisition put option commitments

	At 30 September 2015 £m	At 30 September 2014 £m
Current	**–**	2.1
Non-current	**51.2**	32.2
	51.2	34.3

The carrying amount of put options disclosed above approximates to their fair value.

33 Borrowings

The Group's borrowings are unsecured and are analysed as follows:

	Overdrafts £m	Bank loans £m	Bonds £m	Loan notes £m	Finance leases £m	Total £m
At 30 September 2015						
Within one year	**0.7**	**–**	**–**	**2.5**	**0.2**	**3.4**
Between one and two years	**–**	**–**	**–**	**–**	**0.1**	**0.1**
Between two and five years	**–**	**306.7**	**211.7**	**–**	**0.1**	**518.5**
Over five years	**–**	**–**	**208.5**	**–**	**–**	**208.5**
	–	**306.7**	**420.2**	**–**	**0.2**	**727.1**
	0.7	**306.7**	**420.2**	**2.5**	**0.4**	**730.5**
At 30 September 2014						
Within one year	–	–	153.2	2.9	0.2	156.3
Between one and two years	–	–	–	–	0.1	0.1
Between two and five years	–	59.9	209.3	–	0.1	269.3
Over five years	–	–	206.3	–	–	206.3
	–	59.9	415.6	–	0.2	475.7
	–	59.9	568.8	2.9	0.4	632.0

The Group's borrowings are analysed by currency and interest rate type as follows:

	Sterling £m	US dollar £m	Euro £m	Other £m	Total £m
At 30 September 2015					
Fixed rate interest	**420.2**	**0.4**	**–**	**–**	**420.6**
Floating rate interest	**133.6**	**176.3**	**–**	**–**	**309.9**
	553.8	**176.7**	**–**	**–**	**730.5**
At 30 September 2014					
Fixed rate interest	568.8	0.4	–	–	569.2
Floating rate interest	0.6	62.2	–	–	62.8
	569.4	62.6	–	–	632.0

33 Borrowings continued

The Group's borrowings, analysed by currency and interest rate type, adjusting the principal borrowed and interest rate type by the notional amount of interest rate swaps and by the notional amount of currency derivatives, are as follows:

	Sterling £m	US dollar £m	Euro £m	Other £m	Total £m
At 30 September 2015					
Fixed rate interest	**250.0**	**289.7**	**–**	**–**	**539.7**
Floating rate interest	**143.4**	**47.4**	**–**	**–**	**190.8**
	393.4	**337.1**	**–**	**–**	**730.5**
At 30 September 2014					
Fixed rate interest	430.5	167.8	–	–	598.3
Floating rate interest	(178.1)	210.7	0.8	0.3	33.7
	252.4	378.5	0.8	0.3	632.0

Committed borrowing facilities

The Group's bank loans bear interest charged at LIBOR plus a margin. The margin varies by bank and is based on the Group's ratio of net debt to EBITDA or the Group's credit rating. Additionally each facility contains covenants based on a maximum net debt to EBITDA ratio and a minimum interest cover ratio. EBITDA for these purposes is defined as the aggregate of the Group's consolidated operating profit including share of results of joint ventures and associates before deducting depreciation, amortisation and impairment of goodwill, intangible and tangible assets, before exceptional items and before interest and finance charges, and the ratio is shown in Note 34. These covenants were met at the relevant test dates during the year.

During the year the Company increased its committed bank facilities by a further £50.0 million and its uncommitted bank facilities by £20.0 million. The terms of the additional committed facilities are substantially the same as those of the existing committed facilities.

The Group's total committed bank facilities amount to £564.5 million. Of these facilities £195.0 million are denominated in sterling and £369.5 million (US$ 558.0 million) are denominated in US dollars. Drawings are permitted in all major currencies.

The Group's committed bank facilities and their maturity dates are as follows:

	At 30 September 2015 £m	At 30 September 2014 £m
Expiring in more than three years but not more than four years	**564.5**	–
Expiring in more than four years but not more than five years	**–**	489.4
Total bank facilities	**564.5**	489.4

The following undrawn committed borrowing facilities were available to the Group in respect of which all conditions precedent had been met:

	At 30 September 2015 £m	At 30 September 2014 £m
Expiring in more than three years but not more than four years	**278.2**	–
Expiring in more than four years but not more than five years	**–**	429.5
Total undrawn committed bank facilities	**278.2**	429.5

The Group has issued standby letters of credit of £2.2 million (2014 £1.8 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 2015 Fair value £m	At 30 September 2014 Fair value £m	At 30 September 2015 Carrying value £m	At 30 September 2014 Carrying value £m	At 30 September 2015 Nominal value £m	At 30 September 2014 Nominal value £m
2018	5.75	**240.6**	305.6	**211.7**	264.4	**218.5**	275.0
2021	10.00	**9.6**	139.6	**10.3**	108.4	**7.2**	100.0
2027	6.375	**240.0**	234.9	**198.2**	196.0	**200.0**	200.0
		490.2	680.1	**420.2**	568.8	**425.7**	575.0

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 £1.5 million (2014 £2.3 million), the unamortised premia £9.3 million (2014 £7.1 million).

The fair value of the Group's bonds have been calculated on the basis of quoted market rates.

On 22 September 2014 the Company announced its invitation to holders of its outstanding £165.0 million 2021 bonds and its outstanding £349.7 million 2018 bonds to tender their bonds for purchase by the Company for cash. On 30 September the Company announced the results and cash price payable of validly tendered 2018 and 2021 bonds. The total cash price payable by the Company amounted to £193.1 million, including a premium of £39.9 million, which was paid on 1 October 2014.

Further details of the Group's borrowing arrangements are set out in the Financial Review.

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.

34 Financial instruments and risk management

The Group is exposed to credit, interest rate and currency risks arising in the normal course of business. Derivative financial instruments are used to manage exposures to fluctuations in foreign currency exchange rates and interest rates but are not employed for speculative purposes. Full details of the Group's treasury policies are set out in the Financial Review.

Capital risk management

The Group manages its capital, defined as equity shareholders' funds and net borrowings, to ensure that entities in the Group are able to continue as going concerns for the foreseeable future.

Debt management

The Group borrows on an unsecured basis and arranges its debt to ensure an appropriate maturity profile. The Group's principal sources of funding are the long-term sterling bond market and committed bank facilities. The Group is mindful of its credit rating, currently BBB- and ensures it has sufficient committed bank facilities in order to meet short-term business requirements, after taking into account the Group's holding of cash and cash equivalents together with any distribution restrictions which exist. The Group aims to maximise the term and flexibility of indebtedness and retain headroom in the form of undrawn committed bank facilities of approximately £100.0 million. Additionally, the Group arranges its currency borrowings in order that they are in proportion to the ratio of earnings in that particular currency to total Group earnings.

The Directors consider that the Group's bond issuances together with its bank facilities will be sufficient to cover the likely medium-term cash requirements of the Group.

Associates, joint ventures and other investments in general arrange and maintain their own financing and funding requirements. In all cases such financing is non-recourse to the Company.

The Group's internal target of net debt to EBITDA cover is no greater than 2.0 times whilst the limit imposed by its bank covenants is no greater than 3.75 times. The bank covenant ratio uses the average exchange rate in the calculation of net debt. The resultant net debt to EBITDA ratio is 1.84 times (2014 1.53 times). Using a closing rate basis for the valuation of net debt, the ratio was 1.86 times (2014 1.54 times).

34 Financial instruments and risk management continued

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 3.0 times EBITDA to net interest. The actual ratio for the year was 10.09 times (2014 7.73 times).

The Group's interest rate exposure management policy is aimed at reducing the exposure of the consolidated businesses to changes in interest rates. Group policy is to have 70% to 80% of interest exposures fixed with the balance floating. This is achieved by issuing fixed rate sterling bond debt and entering into derivative contracts that economically swap fixed rate interest into floating rate. Derivatives are used to hedge or reduce the risks of interest rate and exchange rate movements and are not entered into unless such risks exist. The derivatives in place to meet Group policy are as follows:

(i) Fixed to floating interest rate swaps hedging a portion of the Group's bonds; changes in the fair value of the swaps are recognised in the income statement and at the same time the carrying value of the hedged bonds is adjusted for movements in the hedged risk to the extent effective and those adjustments are also recognised in the income statement. The notional value of these interest rate swaps amounts to £73.9 million (2014 £73.9 million) with the Group paying floating rates of between 0.56% and 0.91% (2014 0.53% and 0.91%).

(ii) Fixed to floating interest rate swaps which are not designated as hedging instruments; changes in the fair value of the swaps are recognised in the income statement. The notional value of these interest rate swaps amounts to US$67.0 million (2014 US$67.0 million) with the Group receiving floating US dollar interest at rates of between 0.23% and 0.28% (2014 0.23% and 0.25%).

(iii) Cross currency fixed to fixed interest rate swaps. The notional value of these cross currency swaps amounts to £96.3 million/ US$155 million (2014 £64.7 million/US$105.0 million) resulting in the Group paying fixed US dollar interest at rates of between 5.56% and 6.99% (2014 5.56% and 6.04%).

(iv) The Group also had a number of outstanding interest rate caps. These amounted to US$225.0 million notional (2014 US$100.0 million) at rates of between 1.00% and 2.75% (2014 2.20% and 2.75%).

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 rates of interest and exchange as at 30 September 2015 and the use of established estimation techniques such as discounted cash flow and option valuation models. The fair value of long-term borrowings has been calculated by discounting expected future cash flows at market rates.

Foreign exchange rate risk management

Translation exposures arise on the earnings and net assets of business operations in entities with functional currencies other than that of the parent company. The net asset exposures are economically hedged, to a significant extent, by a policy of denominating borrowings in currencies where significant translation exposures exist, most notably US dollars.

The Group also designates currency swaps and forward contracts as net investment hedges, hedging the Group's overseas investments.

Credit risk management

The Group's principal credit risk relates to its trade and other receivables and non-performance by counterparties to financial instrument contracts.

Trade and other receivables

The Group's customer base is diversified geographically and by segment with customers generally of a good financial standing. Before accepting any new customers, the Group assesses the potential customers' credit quality and sets credit limits by customer. The average credit period is 38 days (2014 38 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.

The maximum exposure to credit risk from trade and other receivables at the reporting date is the amount of each class disclosed in the table on page 151.

Institutional counterparty risk

The Group seeks to limit interest rate and foreign exchange risks, described above, by the use of financial instruments. As a result, credit risk arises from the potential non-performance by the counterparties to those financial instruments, which are unsecured. The amount of this credit risk is normally restricted to the amounts of any hedge gain and not the principal amount being hedged. The Group also has a credit exposure to counterparties for the full principal amount of cash and cash equivalents.

Credit risk is controlled by monitoring the credit quality of these counterparties, principally licensed commercial banks and investment banks with strong long-term credit ratings, and of the amounts outstanding with each of them.

The credit risk on short-term deposits and derivative financial instruments is considered low since the counterparties are banks with high credit ratings. Group policy is to have no more than £20.0 million deposited (or at risk) with any 'AA' counterparty or £10.0 million for 'A' rated counterparties. The Group has no significant concentration of risk with exposure spread over a large number of counterparties and customers.

The maximum exposure to credit risk from derivative assets and cash and cash equivalents at the reporting date is the amount of each class disclosed in the table on page 151.

Derivative financial instruments and hedge accounting

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.

Gains and losses on the borrowings and related derivatives designated as fair value hedges included in the Consolidated Income Statement for the year ended 30 September 2015 were:

	At 30 September 2013 £m	Fair value movement gain/(loss) £m	At 30 September 2014 £m	Fair value movement gain/(loss) £m	At 30 September 2015 £m
Sterling interest rate swaps	3.9	(0.8)	3.1	2.1	**5.2**
Sterling debt	(3.9)	0.8	(3.1)	(2.1)	**(5.2)**
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.

All cash flow hedges were effective throughout the year ended 30 September 2015. 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.

All net investment hedges were effective throughout the year ended 30 September 2015.

34 Financial instruments and risk management continued

The Group's derivative financial instruments, other than acquisition option commitments, and their maturity profiles are summarised as follows:

Derivative financial assets:

	Fair value hedges £m	Cash flow hedges £m	Net investment hedges £m	Derivatives not qualifying for hedge accounting £m	Derivative financial assets £m
At 30 September 2015					
Within one year	**–**	**1.3**	**–**	**–**	**1.3**
Between two and five years	**2.5**	**–**	**–**	**0.3**	**2.8**
Over five years	**16.1**	**–**	**–**	**0.8**	**16.9**
	18.6	**–**	**–**	**1.1**	**19.7**
	18.6	**1.3**	**–**	**1.1**	**21.0**
At 30 September 2014					
Within one year	–	2.6	0.3	–	2.9
Between one and two years	–	0.2	–	–	0.2
Between two and five years	2.5	–	–	1.1	3.6
Over five years	13.9	–	2.3	–	16.2
	16.4	0.2	2.3	1.1	20.0
	16.4	2.8	2.6	1.1	22.9

Derivative financial liabilities:

	Fair value hedges £m	Cash flow hedges £m	Net investment hedges £m	Derivatives not qualifying for hedge accounting £m	Derivative financial liabilities £m
At 30 September 2015					
Within one year	**–**	**(3.3)**	**(2.0)**	**–**	**(5.3)**
Between one and two years	**–**	**(0.7)**	**–**	**–**	**(0.7)**
Between two and five years	**–**	**–**	**(2.2)**	**–**	**(2.2)**
Over five years	**–**	**–**	**(2.7)**	**(18.2)**	**(20.9)**
	–	**(0.7)**	**(4.9)**	**(18.2)**	**(23.8)**
	–	**(4.0)**	**(6.9)**	**(18.2)**	**(29.1)**
At 30 September 2014					
Within one year	–	(1.3)	(2.8)	–	(4.1)
Between one and two years	–	(0.4)	–	–	(0.4)
Between two and five years	–	–	(0.2)	–	(0.2)
Over five years	–	–	–	(13.3)	(13.3)
	–	(0.4)	(0.2)	(13.3)	(13.9)
	–	(1.7)	(3.0)	(13.3)	(18.0)

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 2015 it is estimated that an increase of 1.0% in interest rates would have decreased the Group's finance costs by £3.5 million (2014 £0.5 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 2015 it is estimated that a decrease of 1.0% in interest rates would have increased the Group's finance costs by £4.6 million (2014 £4.8 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 2015 it is estimated that a 10.0% strengthening of sterling against the US dollar would have decreased the net loss taken to equity by £42.4 million (2014 increased the gain taken to equity by £38.9 million) and increased the net loss taken to income by £0.1 million (2014 £1.3 million). A 10.0% weakening of sterling against the US dollar would have increased the net loss taken to equity by £51.7 million (2014 decreased the gain taken to equity by £44.3 million) and increased the net loss taken to income by £2.3 million (2014 £3.0 million). 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 2015 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 present value of acquisition put option commitments of £1.6 million (2014 £1.2 million).

At 30 September 2015 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 present value of acquisition put option commitments of £1.4 million (2014 £1.3 million).

The carrying amounts and gains and losses on financial instruments are as follows:

	At 30 September 2015 Carrying amount £m	Year ended 30 September 2015 (Loss)/gain to income £m	Year ended 30 September 2015 (Loss)/gain to equity £m	At 30 September 2014 Carrying amount £m	Year ended 30 September 2014 (Loss)/gain to income £m	Year ended 30 September 2014 Gain/(loss) to equity £m
Investments	**13.8**	**2.1**	**0.2**	6.8	9.4	0.4
Available-for-sale	**13.8**	**2.1**	**0.2**	6.8	9.4	0.4
Trade receivables	**194.9**	**1.6**	**7.1**	177.6	(9.4)	(0.7)
Other receivables	**50.1**	**–**	**1.5**	23.9	–	(0.6)
Cash and cash equivalents	**31.6**	**0.9**	**(0.8)**	28.5	0.7	(1.2)
Loans and receivables	**276.6**	**2.5**	**7.8**	230.0	(8.7)	(2.5)
Contingent consideration	**2.3**	**(1.7)**	**0.2**	2.7	(0.3)	0.1
Assets at fair value through profit or loss	**2.3**	**(1.7)**	**0.2**	2.7	(0.3)	0.1
Interest rate swaps	**18.6**	**5.4**	**–**	16.4	2.3	–
Fixed to fixed cross currency swaps	**–**	**–**	**–**	2.3	–	–
Forward foreign currency contracts	**1.3**	**–**	**(5.0)**	3.1	1.1	5.6
Derivative assets in effective hedging relationships	**19.9**	**5.4**	**(5.0)**	21.8	3.4	5.6
Interest rate caps	**1.1**	**(2.4)**	**–**	1.1	(0.5)	–
Derivative assets not designated as hedging instruments	**1.1**	**(2.4)**	**–**	1.1	(0.5)	–
Trade payables	**(66.5)**	**–**	**(0.5)**	(51.2)	–	2.0
Bank overdrafts	**(0.7)**	**–**	**–**	–	–	–
Bonds	**(420.2)**	**(70.6)**	**–**	(568.8)	(66.0)	–
Bank loans	**(306.7)**	**(7.8)**	**(12.5)**	(59.9)	(8.9)	1.4
Loan notes	**(2.5)**	**(0.1)**	**(0.1)**	(2.9)	–	–
Amounts payable under finance leases	**(0.4)**	**(0.1)**	**–**	(0.4)	(0.1)	–
Liabilities at amortised cost	**(797.0)**	**(78.6)**	**(13.1)**	(683.2)	(75.0)	3.4
Contingent consideration	**(54.3)**	**(1.0)**	**(1.5)**	(20.2)	(0.3)	0.1
Liabilities at fair value through profit or loss	**(54.3)**	**(1.0)**	**(1.5)**	(20.2)	(0.3)	0.1
Fixed to fixed cross currency swaps	**(4.9)**	**(0.2)**	**(7.0)**	(0.2)	(0.4)	(1.1)
Forward foreign currency contracts	**(6.0)**	**0.1**	**(13.1)**	(4.5)	0.4	(3.1)
Derivative liabilities in effective hedging relationships	**(10.9)**	**(0.1)**	**(20.1)**	(4.7)	–	(4.2)
Acquisition put option commitments	**(51.2)**	**4.2**	**(0.8)**	(34.3)	1.3	(0.4)
Interest rate swaps	**(18.2)**	**(7.4)**	**–**	(13.3)	(1.3)	–
Derivative liabilities not designated as hedging instruments	**(69.4)**	**(3.2)**	**(0.8)**	(47.6)	–	(0.4)
Total for financial instruments	**(617.9)**	**(77.0)**	**(32.3)**	(493.3)	(72.0)	2.5

34 Financial instruments and risk management continued

Reconciliation of net (loss)/gain taken to equity:

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Change in fair value of hedging derivatives	39, 40	**(26.4)**	0.2
Translation of financial instruments of overseas operations		**(7.2)**	1.1
Transfer of gain on cash flow hedges from fair value reserves to Consolidated Income Statement	39, 40	**1.3**	1.2
Total loss on financial instruments to equity		**(32.3)**	2.5

Reconciliation of loss taken through income to net finance costs:

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Total loss on financial instruments to income		**(77.0)**	(72.0)
Add back:			
Impairment of trade receivables	28	**(1.6)**	9.4
Impairment of available-for-sale assets	8	**1.0**	–
Dividend income	9	**(3.1)**	(9.4)
Interest receivable from short-term deposits	9	**(0.9)**	(0.7)
Interest on pension scheme liabilities less expected return on pension scheme assets	10	**(6.8)**	(7.6)
Net finance costs	10	**(88.4)**	(80.3)

Reconciliation of amounts due under finance lease agreements:

At 30 September 2015	Total £m	Due in less than one year £m	Due between one and five years £m
Future minimum lease payments	**(0.4)**	**(0.2)**	**(0.2)**
Present value of minimum lease payments	**(0.4)**	**(0.2)**	**(0.2)**

At 30 September 2014	Total £m	Due in less than one year £m	Due between one and five years £m
Future minimum lease payments	(0.4)	(0.2)	(0.2)
Present value of minimum lease payments	(0.4)	(0.2)	(0.2)

The remaining undiscounted contractual liabilities and their maturities are as follows:

	Within one year £m	Between one and two years £m	Between two and five years £m	Between five and ten years £m	Between ten and fifteen years £m	Total £m
At 30 September 2015						
Trade payables	**(66.5)**	**–**	**–**	**–**	**–**	**(66.5)**
Bank loans	**–**	**–**	**(322.0)**	**–**	**–**	**(322.0)**
Bank overdrafts	**(0.7)**	**–**	**–**	**–**	**–**	**(0.7)**
Bonds	**(26.0)**	**(26.0)**	**(273.8)**	**(71.3)**	**(222.1)**	**(619.2)**
Loan notes	**(2.6)**	**–**	**–**	**–**	**–**	**(2.6)**
Finance leases	**(0.2)**	**(0.1)**	**(0.1)**	**–**	**–**	**(0.4)**
Contingent consideration	**(5.2)**	**(7.6)**	**(43.8)**	**(0.1)**		**(56.7)**
Acquisition put option commitments	**–**	**(31.2)**	**(11.6)**	**(12.6)**	**–**	**(55.4)**
Interest rate swaps	**(2.5)**	**(2.6)**	**(7.6)**	**(12.6)**	**(4.4)**	**(29.7)**
Currency swaps	**(6.4)**	**(6.4)**	**(42.9)**	**(24.5)**	**(84.7)**	**(164.9)**
Forward contracts	**(128.2)**	**(32.4)**	**–**	**–**	**–**	**(160.6)**
	(238.3)	**(106.3)**	**(701.8)**	**(121.1)**	**(311.2)**	**(1,478.7)**
At 30 September 2014						
Trade payables	(51.2)	–	–	–	–	(51.2)
Bank loans	–	–	(63.6)	–	–	(63.6)
Bonds	(175.4)	(26.0)	(286.4)	(72.0)	(234.7)	(794.5)
Loan notes	(2.9)	–	–	–	–	(2.9)
Finance leases	(0.2)	(0.1)	(0.1)	–	–	(0.4)
Contingent consideration	(16.6)	(0.8)	(5.8)	(0.1)	–	(23.3)
Acquisition put option commitments	(2.2)	(2.3)	(11.3)	(22.6)	–	(38.4)
Interest rate swaps	(2.4)	(2.4)	(7.2)	(12.0)	(6.6)	(30.6)
Currency swaps	(1.5)	(1.5)	(27.9)	–	–	(30.9)
Forward contracts	(236.2)	(17.4)	–	–	–	(253.6)
	(488.6)	(50.5)	(402.3)	(106.7)	(241.3)	(1,289.4)

Included in the maturity table above are interest rate swaps with a notional value of US$67.0 million (2014 US$67.0 million) and currency swaps with a notional value of US$90.0 million (2014 US$nil) with mutual break clauses at fair value every 5 years.

34 Financial instruments and risk management continued

Reconciliation of undiscounted liabilities to amounts on the of Consolidated Statement of Financial Position:

	Undiscounted value of financial liabilities £m	Interest £m	Unamortised issue costs £m	Discount/ Premium on issue £m	Discounting and mark to market adjustments £m	Undiscounted value of financial asset £m	Total £m
At 30 September 2015							
Trade payables	**(66.5)**	**–**	**–**	**–**	**–**	**–**	**(66.5)**
Bank loans	**(322.0)**	**15.3**	**–**	**–**	**–**	**–**	**(306.7)**
Bank overdrafts	**(0.7)**	**–**	**–**	**–**	**–**	**–**	**(0.7)**
Bonds	**(619.2)**	**193.5**	**1.5**	**9.3**	**(5.3)**	**–**	**(420.2)**
Loan notes	**(2.6)**	**0.1**	**–**	**–**	**–**	**–**	**(2.5)**
Finance leases	**(0.4)**	**–**	**–**	**–**	**–**	**–**	**(0.4)**
Contingent consideration	**(56.7)**	**–**	**–**	**–**	**2.4**	**–**	**(54.3)**
Acquisition put option commitments	**(55.4)**	**–**	**–**	**–**	**4.2**	**–**	**(51.2)**
Interest rate swaps	**(29.7)**	**29.7**	**–**	**–**	**(18.2)**	**–**	**(18.2)**
Fixed to fixed cross currency swaps	**(164.9)**	**3.7**	**–**	**–**	**1.4**	**154.9**	**(4.9)**
Forward foreign currency contracts	**(160.6)**	**–**	**–**	**–**	**(1.2)**	**155.8**	**(6.0)**
	(1,478.7)	**242.3**	**1.5**	**9.3**	**(16.7)**	**310.7**	**(931.6)**
At 30 September 2014							
Trade payables	(51.2)	–	–	–	–	–	(51.2)
Bank loans	(63.6)	3.7	–	–	–	–	(59.9)
Bonds	(794.5)	219.4	2.3	7.1	(3.1)	–	(568.8)
Loan notes	(2.9)	–	–	–	–	–	(2.9)
Finance leases	(0.4)	–	–	–	–	–	(0.4)
Contingent consideration	(23.3)	–	–	–	3.1	–	(20.2)
Acquisition put option commitments	(38.4)	–	–	–	4.1	–	(34.3)
Interest rate swaps	(30.6)	30.6	–	–	(13.3)	–	(13.3)
Fixed to fixed cross currency swaps	(30.9)	0.4	–	–	0.2	30.1	(0.2)
Forward foreign currency contracts	(253.6)	–	–	–	–	249.1	(4.5)
	(1,289.4)	254.1	2.3	7.1	(9.0)	279.2	(755.7)

Valuation techniques and assumptions applied for the purpose of measuring fair value

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 30 September 2015	Note	Level 1 £m	Level 2 (i) £m	Level 3 (ii) £m	Total £m
Financial assets					
Available-for-sale financial assets	26	**–**	**–**	**13.8**	**13.8**
Fair value through profit and loss					
Derivative instruments not designated in hedge accounting relationships		**–**	**1.1**	**–**	**1.1**
Provision for contingent consideration receivable		**–**	**–**	**2.3**	**2.3**
Derivative instruments in designated hedge accounting relationships		**–**	**19.9**	**–**	**19.9**
		–	**21.0**	**16.1**	**37.1**
Financial liabilities					
Fair value through profit and loss					
Derivative instruments not designated in hedge accounting relationships		**–**	**(18.2)**	**–**	**(18.2)**
Provision for contingent consideration	36	**–**	**–**	**(54.3)**	**(54.3)**
Derivative instruments in designated hedge accounting relationships		**–**	**(10.9)**	**–**	**(10.9)**
		–	**(29.1)**	**(54.3)**	**(83.4)**

At 30 September 2014	Note	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets					
Available-for-sale financial assets	26	–	–	6.8	6.8
Fair value through profit and loss					
Derivative instruments not designated in hedge accounting relationships		–	1.1	–	1.1
Provision for contingent consideration receivable		–	–	2.7	2.7
Derivative instruments in designated hedge accounting relationships		–	21.8	–	21.8
		–	22.9	9.5	32.4
Financial liabilities					
Fair value through profit and loss					
Derivative instruments not designated in hedge accounting relationships		–	(13.3)	–	(13.3)
Provision for contingent consideration	36	–	–	(20.2)	(20.2)
Derivative instruments in designated hedge accounting relationships		–	(4.7)	–	(4.7)
		–	(18.0)	(20.2)	(38.2)

There were no transfers between categories in the period.

(i) The fair value of derivative instruments is determined using market rates of interest and exchange, and established estimation techniques such as discounted cash flow and option valuation models.

(ii) Available for sale financial assets are recorded at cost less provision for impairment, as since there is no active market upon which they are traded their fair values cannot be reliably measured. The recoverable amount is determined by discounting future cash flows to present value using market interest rates.

Contingent consideration is valued based on the future profitability of the businesses to which the contingent consideration relates, discounted at market rates of interest.

Reconciliation of level 3 fair value measurement of financial liabilities:

	Note	£m
At 30 September 2013		(26.2)
Cash paid to settle contingent consideration in respect of acquisitions		5.1
Change in fair value of contingent consideration in income		1.1
Finance charge on discounting of contingent consideration		(1.4)
Additions to contingent consideration		(2.6)
Contingent consideration owned by subsidiaries acquired		(0.8)
Release of payments made in advance in prior year		4.5
Exchange adjustment		0.1
At 30 September 2014		(20.2)
Cash paid to settle contingent consideration in respect of acquisitions		15.1
Change in fair value of contingent consideration in income	10	(0.4)
Finance charge on discounting of contingent consideration	10	(0.6)
Additions to contingent consideration		(48.0)
Contingent consideration owned by subsidiaries disposed	17	0.8
Adjustment to goodwill	21	0.5
Exchange adjustment		(1.5)
At 30 September 2015		**(54.3)**

The key inputs into the significant level 3 financial liabilities are the future profitability of the businesses to which the contingent consideration relate and the discount rate. The estimated range of possible outcomes for the fair value of these liabilities is £1.4 million to £355.5 million (2014 £1.1 million to £56.0 million).

A one percentage point increase or decrease in the growth rate in estimating the expected profits results in the contingent consideration liability at 30 September 2015 increasing or decreasing by £0.5 million and £0.5 million respectively (2014 £0.3 million and £0.3 million), with the corresponding change to the value at 30 September 2015 charged or credited to the Income Statement in future periods.

The rates used to discount contingent consideration range from 0.3% to 3.0% (2014 0.6% to 9.8%). A one percentage point increase or decrease in the discount rate used to discount the expected gross value of payments results in the liability at 30 September 2015 decreasing or increasing by £1.7 million and £1.7 million respectively (2014 £0.2 million and £0.2 million), with the corresponding change to the value at 30 September 2015 charged or credited to the Income Statement in future periods.

35 Retirement benefit obligations

The Group operates a number of pension schemes under which contributions are paid by the employer and employees. The total net pension costs of the Group for the year ended 30 September 2015 were £25.2 million (2014 £28.9 million).

The schemes include funded defined benefit pension arrangements, providing service-related benefits, in addition to a number of defined contribution pension arrangements. The defined benefit schemes in the UK, together with some defined contribution plans, are administered by trustees or trustee companies.

In compliance with legislation the Group commenced automatic enrolment of relevant employees into defined contribution pension plans from September 2013. This process will continue to be staged progressively and will be complete during 2016.

Defined benefit schemes

Background

The Company operates two main defined benefit schemes, the Harmsworth Pension Scheme (HPS) and the Senior Executive Pension Scheme (SEPF), both of which are now closed to new entrants. The Group has commenced a consultation process with eligible employees with a view to closing HPS to further accrual in January 2016. The SEPF was closed to accrual during the year.

Full actuarial valuations of the defined benefit schemes are carried out triennially by the scheme actuary. As a result of the valuations of the main schemes as at 31 March 2013 the Company makes annual contributions of 12.0% or 18.0% of members' basic pay (depending on membership section) for HPS and 28.5% of pensionable pay for SEPF. Following the results of the latest triennial valuation, the Company agreed a recovery plan involving a series of annual funding payments, and in accordance with this arrangement, payments of £23.2 million and £5.5 million were made in line with the due date of 5 October 2014. Between October 2015 and October 2026 further annual payments have been agreed amounting to £305.9 million (excluding the balloon funding payment referred to below in connection with the Limited Partnership investment vehicle). The Company considers that these contribution rates are sufficient to eliminate the deficit over the agreed period. Both the ongoing contributions and Recovery Plan will be reviewed at the next triennial funding valuation of the main schemes due to be completed with an effective date of 31 March 2016.

In February 2014 the Company agreed with the Trustees that, should it continue its share buy-back programme, it would make additional contributions to the schemes amounting to 20% of the value of shares purchased. Contributions of £18.2 million relating to this agreement were made in the year to 30 September 2015.

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 2014, showed a funding deficit of £3.8 million. The Trustees and the Company have agreed that this funding shortfall will be recovered through the expected investment returns, with no further contributions required from the Company.

Limited Partnership investment vehicle

HPS owns a beneficial interest in a Limited Partnership investment vehicle (LP). The LP has been designed to facilitate payment of £10.8 million as part of the deficit funding payments described above over the period to 2026. In addition, the LP is required to make a final payment to the scheme of £149.9 million, or the funding deficit within the scheme on an ongoing actuarial valuation basis at the end of the period to 2026 if this is less. For funding purposes, HPS's interest in the LP is treated as an asset of the scheme and reduces the actuarial deficit within the scheme. However, under IAS 19 the LP is not included as an asset of the scheme and therefore is not included in the disclosures below.

The figures in this note are based on calculations using membership data as at 30 September 2015 along with asset valuations and cash flow information from the schemes for the year to 30 September 2015.

A reconciliation of the net pension obligation reported in the Consolidated Statement of Financial Position is shown in the following table:

	At 30 September 2015 Schemes in surplus £m	At 30 September 2015 Schemes in deficit £m	At 30 September 2015 Total £m	At 30 September 2014 Schemes in surplus £m	At 30 September 2014 Schemes in deficit £m	At 30 September 2014 Total £m
Present value of defined benefit obligation	**(255.2)**	**(2,182.2)**	**(2,437.4)**	(261.8)	(2,120.1)	(2,381.9)
Assets at fair value	**282.9**	**1,995.2**	**2,278.1**	268.2	1,901.9	2,170.1
(Deficit)/surplus reported in the Consolidated Statement of Financial Position	**27.7**	**(187.0)**	**(159.3)**	6.4	(218.2)	(211.8)

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 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.

The deficit for the year, set out above, excludes a related deferred tax asset of £31.8 million (2014 £42.8 million).

A reconciliation of the present value of the defined benefit obligation is shown in the following table:

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Defined benefit obligation at start of year		**(2,381.9)**	(2,169.7)
Current service cost		**(6.6)**	(7.4)
Current service cost in respect of salary sacrifice		**(2.6)**	(3.0)
Interest cost		**(93.4)**	(97.7)
Past service cost		**–**	(0.3)
Member contributions		**(0.2)**	(0.1)
Net benefit payments		**94.3**	92.0
Actuarial gain/(loss) as a result of:			
– changes in financial assumptions	39, 40	**(55.4)**	(209.0)
– changes in demographic assumptions		**58.7**	24.2
– membership experience	39, 40	**(50.3)**	(10.9)
Defined benefit obligation at end of year		**(2,437.4)**	(2,381.9)

A reconciliation of the fair value of assets is shown in the following table:

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Fair value of assets at start of year		**2,170.1**	1,962.0
Interest income on scheme assets		**86.6**	90.1
Company contributions		**61.1**	65.3
Member contributions		**0.1**	0.4
Net benefit payments		**(94.3)**	(92.0)
Return on plan assets, excluding amounts included in interest income on scheme assets	39, 40	**54.5**	145.8
Administration expenses		**–**	(1.5)
Fair value of assets at end of year		**2,278.1**	2,170.1

The fair value of the assets is categorised as follows:

	Equities	Bonds	Property	Other assets	Total
At 30 September 2015					
Quoted	**870.0**	**336.6**	**–**	**49.9**	**1,256.5**
Unquoted	**434.0**	**296.1**	**286.1**	**5.4**	**1,021.6**
% of assets held	**57.24%**	**27.78%**	**12.56%**	**2.42%**	**100.00%**
At 30 September 2014					
Quoted	908.4	362.3	–	14.8	1,285.5
Unquoted	442.1	183.9	255.5	3.1	884.6
% of assets held	62.23%	25.17%	11.77%	0.82%	100.00%

Equities include hedge funds and infrastructure funds.

The value of employer-related assets held on behalf of the schemes at 30 September 2015 was £13.4 million (0.6% of assets), (2014 £15.3 million, 0.7% of assets).

The main financial assumptions are shown in the following table:

	Year ended 30 September 2015 %	Year ended 30 September 2014 %
Price inflation	**2.95**	3.10
Salary increases	**2.80**	3.00
Pension increases	**2.80**	3.00
Discount rate	**3.70**	4.00

The discount rate for both scheme liabilities and the fair value of scheme assets reflects yields at the year-end date on high-quality corporate bonds and are based on a cash flow-based yield curve, calculating a single equivalent discount rate reflecting the average duration of the schemes' liabilities, rounded to the nearest 0.05% p.a. In previous years this was set equal to iBoxx 15+ year AA corporate bond index with an adjustment to reflect the upward slope of the yield curve at the schemes' weighted average duration rounded to the nearest 0.1% p.a.

35 Retirement benefit obligations continued

RPI inflation is derived in a similar way to the discount rate but with reference to the Bank of England spot curve at the duration of the schemes' weighted averaged duration with an appropriate allowance for inflation risk premium (0.30% p.a.), rounded to the nearest 0.05% p.a. In previous years this was derived from the annualised Bank of England spot curve at the duration of the schemes' weighted averaged duration with an appropriate allowance for an inflation risk premium, rounded to the nearest 0.10% p.a.

Mortality assumptions take account of scheme experience, and also allow for further improvements in life expectancy based on the Continuous Mortality Investigation (CMI) projections but with a long-term rate of improvement in future mortality rates of 1.25 % p.a. Allowance is made for the extent to which employees have chosen to commute part of their pension for cash at retirement.

The average duration of the defined benefit obligation at the end of the year is approximately 17 years (2014 17 years).

The table below illustrates examples of the assumed average life expectancies from age 60 for the principal schemes:

	Year ended 30 September 2015 Future life expectancy from age 60 (years)	Year ended 30 September 2014 Future life expectancy from age 60 (years)
For a current 60-year-old male member of the scheme	**26.7**	26.8
For a current 60-year-old female member of the scheme	**28.5**	28.7
For a current 50-year-old male member of the scheme	**27.3**	27.9
For a current 50-year-old female member of the scheme	**29.6**	29.8

The amounts charged to the Consolidated Income Statement relating to the Group's defined benefit schemes, based on the above assumptions are shown in the following table:

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Current service cost		**(6.6)**	(7.4)
Current service cost in respect of salary sacrifice		**(2.6)**	(3.0)
Past service cost		**–**	(0.3)
Administration expenses		**–**	(1.5)
Charge to operating profit		**(9.2)**	(12.2)
Finance cost	10	**(6.8)**	(7.6)
Total charge to the Consolidated Income Statement		**(16.0)**	(19.8)

Pension costs and the size of any pension surplus or deficit are sensitive to the assumptions adopted. The table below indicates the effect from changes in the principal assumptions used above:

		Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Mortality			
Change in pension obligation at 30 September 2015 from a one-year increase in life expectancy	+/-	**64.0**	93.4
Change in pension cost from a one-year increase	+/-	**2.4**	4.0
Inflation rate			
Change in pension obligation at 30 September 2015 from a 0.1% p.a. increase	+/-	**34.0**	27.6
Change in pension cost from a 0.1% p.a. increase	+/-	**1.3**	1.2
Discount rate			
Change in pension obligation at 30 September 2015 from a 0.1% p.a. decrease	+/-	**40.0**	42.0
Change in pension cost from a 0.1% p.a. decrease	+/-	**1.4**	1.6

There are significant risks in connection with running defined benefit schemes, and the key risks are highlighted below:

Discount rate risk

The present value of the defined benefit obligation is calculated using a discount rate set with reference to high-quality corporate bond yields. A decrease in corporate bond yields will increase the present value of the defined benefit obligation, although this will be partially offset by an increase in the value of corporate bonds held by the schemes.

Inflation rate risk
A significant proportion of the defined benefit obligation is linked to inflation, therefore increased inflation will result in a higher defined benefit obligation. The Trustees have sought to acquire certain assets with exposure to inflationary uplifts in order to negate a proportion of this risk.

Life expectancy risk
The present value of the defined benefit obligation is calculated with reference to the best estimate of the mortality of scheme members. An increase in assumed life expectancy will result in an increase in the defined benefit obligation. Regular reviews of mortality experience are performed to ensure life expectancy assumptions remain appropriate.

Investment risk
This is a measure of the uncertainty that the return on the schemes' assets keeps pace with the discount rate. The schemes hold a significant proportion of equities and similar 'growth assets', which are expected to outperform the discount rate in the long term.

Amounts recognised in the Consolidated Statement of Comprehensive Income (SOCI) are shown in the following table:

	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Actuarial gain/(loss) recognised in SOCI	**10.3**	(49.9)
Cumulative actuarial (loss)/gain recognised in SOCI at beginning of year	**(47.0)**	2.9
Cumulative actuarial loss recognised in SOCI at end of year	**(36.7)**	(47.0)

A history of experience gains and losses is shown in the following table:

	At 30 September 2015 £m	At 30 September 2014 £m	At 30 September 2013 £m	At 3 October 2012 £m	At 4 October 2011 £m
Present value of defined benefit obligation	**(2,437.4)**	(2,381.9)	(2,169.7)	(2,089.0)	(1,921.1)
Fair value of scheme assets	**2,278.1**	2,170.1	1,962.0	1,764.6	1,584.9
Combined deficit in schemes	**(159.3)**	(211.8)	(207.7)	(324.4)	(336.2)
Experience adjustments on defined benefit obligation	**(47.0)**	(195.7)	(73.8)	(137.8)	(15.4)
Experience adjustments on fair value of scheme assets	**54.5**	145.8	168.1	99.6	(49.1)

The Group expects to contribute approximately £38.5 million to the schemes during the year to 30 September 2016 including the deficit funding payments described above.

UK defined contribution plans
The Group has introduced a number of PensionSaver group personal pension plans that have replaced the trust-based defined contribution pension plans previously offered to employees. These plans create a consistent pensions savings vehicle across all Group segments. The benefits for all members of the trust-based plans have been transferred to individual policies held in the member's own name and the scheme is now wound up. Insured death benefits previously held under this trust have already been transferred to a new trust-based arrangement specifically for life assurance purposes.

The aggregate value of the Group personal pension plans was £71.8 million (2014 £63.9 million) at the year end. The trust-based defined contribution pension plans were wound up in late 2014 (2014 £12.8 million). The pension cost attributable to these plans during the year amounted to £6.3 million (2014 £5.7 million).

Overseas pension plans
Overseas subsidiaries of certain Group segments operate defined contribution retirement benefit plans, primarily in North America and Australia. The pension cost attributable to these plans during the year amounts to £4.6 million (2014 £3.7 million).

36 Provisions

	Note	Contract discounts and rebates £m	Coupon discount £m	Onerous leases £m	Reorganisation costs £m	Contingent consideration £m	Legal £m	Other (i) £m	Total £m
Current liabilities									
At 30 September 2013		18.6	2.0	2.1	1.7	9.2	2.9	18.8	55.3
Owned by subsidiaries acquired		–	–	–	–	–	–	0.5	0.5
Additions		–	–	–	–	0.2	–	–	0.2
Charged during year		21.6	6.3	0.1	2.7	–	5.8	9.7	46.2
Financial liability for closed period purchases		–	–	–	–	–	–	20.0	20.0
Utilised during year		(13.9)	(6.4)	(1.3)	(1.2)	–	(4.7)	(18.1)	(45.6)
Release of payments made in advance in prior year		–	–	–	–	(4.5)	–	–	(4.5)
Transfer from non-current liabilities		–	–	1.4	–	15.1	–	0.4	16.9
Contingent consideration paid		–	–	–	–	(5.1)	–	–	(5.1)
Notional interest on contingent consideration		–	–	–	–	0.8	–	–	0.8
Fair value adjustment to contingent consideration		–	–	–	–	(2.1)	–	–	(2.1)
Classified as held-for-sale	20	(0.1)	–	–	–	–	–	–	(0.1)
Exchange adjustment		–	(0.1)	0.1	–	0.1		(0.1)	–
At 30 September 2014		26.2	1.8	2.4	3.2	13.7	4.0	31.2	82.5
Additions	17	–	–	–	–	4.8	–	–	4.8
Charged during year		26.6	5.0	0.1	2.1	–	1.8	2.2	37.8
Movement in financial liability for closed period purchases	45	–	–	–	–	–	–	(20.0)	(20.0)
Utilised during year		(27.2)	(5.8)	(1.9)	(0.9)	–	(2.4)	(1.9)	(40.1)
Disposal during the year		–	–	–	–	–	–	(0.1)	(0.1)
Owned by subsidiaries disposed	18	–	–	–	–	(0.8)	–	–	(0.8)
Transfer from non-current liabilities		–	–	1.2	0.5	1.0	–	(0.5)	2.2
Contingent consideration paid	17	–	–	–	–	(14.7)	–	–	(14.7)
Notional interest on contingent consideration	10	–	–	–	–	0.4	–	–	0.4
Adjustment to goodwill/contingent consideration	21	–	–	–	–	(0.3)	–	–	(0.3)
Fair value adjustment to contingent consideration	10	–	–	–	–	0.8	–	–	0.8
Exchange adjustment		–	–	–	–	0.3	–	0.4	0.7
At 30 September 2015		**25.6**	**1.0**	**1.8**	**4.9**	**5.2**	**3.4**	**11.3**	**53.2**
Non-current liabilities									
At 30 September 2013		–	–	13.1	–	17.0	–	9.9	40.0
Owned by subsidiaries acquired		–	–	–	–	0.8	–	–	0.8
Additions		–	–	–	–	2.4	–	–	2.4
Charged during year		–	–	(0.5)	–	–	–	0.5	–
Utilised during year		–	–	(0.1)	–	–	–	(5.6)	(5.7)
Transfer to current liabilities		–	–	(1.4)	–	(15.1)	–	(0.4)	(16.9)
Notional interest on contingent consideration		–	–	–	–	0.6	–	–	0.6
Fair value adjustment to contingent consideration		–	–	–	–	1.0	–	–	1.0
Exchange adjustment		–	–	–	–	(0.2)	–	–	(0.2)
At 30 September 2014		–	–	11.1	–	6.5	–	4.4	22.0
Additions	17	–	–	–	–	43.2	–	–	43.2
Charged during year		–	–	(1.8)	0.1	–	–	(0.5)	(2.2)
Utilised during year		–	–	(0.2)	–	–	–	(0.1)	(0.3)
Transfer to current liabilities		–	–	(1.2)	–	(1.0)	–	–	(2.2)
Contingent consideration paid	17	–	–	–	–	(0.4)	–	–	(0.4)
Notional interest on contingent consideration	10	–	–	–	–	0.2	–	–	0.2
Adjustment to goodwill/contingent consideration	21	–	–	–	–	(0.2)	–	–	(0.2)
Fair value adjustment to contingent consideration	10	–	–	–	–	(0.4)	–	–	(0.4)
Exchange adjustment		–	–	–	–	1.2	–	0.1	1.3
At 30 September 2015		**–**	**–**	**7.9**	**0.1**	**49.1**	**–**	**3.9**	**61.0**

(i) Other current provisions principally comprise a share buy-back provision amounting to £nil (Note 43) (2014 £20.0 million), dilapidation provisions of £1.8 million (2014 £2.5 million), provisions for the future funding of a joint venture, provisions for national insurance of £nil (2014 £nil), provisions for VAT of £1.5 million (2014 £2.0 million), provisions for potential claims from customers £0.7 million (2014 £0.8 million) and loyalty programme provisions of £3.5 million (2014 £3.5 million).

Other non-current provisions principally comprise dilapidation provisions of £2.5 million (2014 £2.9 million), provision for national insurance of £nil (2014 £0.1 million), a provision for amounts payable to the Newspaper Society following cessation of membership on the disposal of Northcliffe Newspapers Limited in 2012 of £0.9 million (2014 £1.0 million) and a provision for remuneration following business combinations of £0.3 million (2014 £nil).

The Group's most significant provisions relate to contingent consideration, and contract discounts and rebates. The uncertainties surrounding and the nature of these provisions are disclosed in critical accounting judgements and key sources of estimation uncertainty (Note 2). Contract discount and rebate provisions are all included within current liabilities. The maturity profile of the Group's contingent consideration provision is as follows:

	At 30 September 2015 £m	At 30 September 2014 £m
Expiring in one year or less	**5.2**	13.7
Expiring between one and two years	**7.5**	0.8
Expiring between two and five years	**41.6**	5.7
	54.3	20.2

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 estimated range of undiscounted outcomes for contingent consideration relating to acquisitions in the year is £1.0 million to £318.4 million. Certain contingent consideration arrangements are not capped since they are based on future business performance.

37 Deferred taxation

	Note	Accelerated capital allowances £m	Goodwill and intangible assets £m	Share-based payments £m	Deferred interest £m	Trading losses and tax credits £m	Pension scheme deficit £m	Other £m	Total £m
Disclosed within non-current liabilities		0.6	(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
Credit/(charge) to income		(2.0)	1.9	(7.4)	12.7	5.6	(7.9)	1.1	4.0
Credit/(charge) to equity		–	0.8	(1.2)	–	–	9.9	–	9.5
Owned by subsidiaries acquired		–	(9.0)	–	–	–	–	–	(9.0)
Owned by subsidiaries sold		–	3.0	–	–	–	–	–	3.0
Classified as held-for-sale	20	(0.2)	3.3	–	–	–	–	0.1	3.2
Exchange adjustment		–	0.1	–	–	(0.5)	–	(0.2)	(0.6)
At 30 September 2014		21.0	(92.2)	9.9	124.8	29.7	52.3	13.7	159.2
Disclosed within non-current liabilities		(0.5)	(30.5)	0.9	0.4	2.1	1.0	5.4	(21.2)
Disclosed within non-current assets		21.5	(61.7)	9.0	124.4	27.6	51.3	8.3	180.4
Credit/(charge) to income	11	10.4	(9.4)	2.7	16.9	(5.1)	(7.1)	(1.7)	6.7
(Charge)/credit to equity	39, 40	–	–	1.4	–	–	(2.1)	0.6	(0.1)
Owned by subsidiaries acquired	17	–	(19.4)	–	–	–	–	–	(19.4)
Owned by subsidiaries sold	18	–	(3.1)	–	–	–	–	0.1	(3.0)
Exchange adjustment		–	(5.1)	0.4	5.8	(0.4)	–	(0.1)	0.6
At 30 September 2015		**31.4**	**(129.2)**	**14.4**	**147.5**	**24.2**	**43.1**	**12.6**	**144.0**
Disclosed within non-current liabilities		**(0.2)**	**(38.1)**	**–**	**2.9**	**4.8**	**0.4**	**6.1**	**(24.1)**
Disclosed within non-current assets		**31.6**	**(91.1)**	**14.4**	**144.6**	**19.4**	**42.7**	**6.5**	**168.1**
At 30 September 2015		**31.4**	**(129.2)**	**14.4**	**147.5**	**24.2**	**43.1**	**12.6**	**144.0**

37 Deferred taxation continued

The net deferred tax asset disclosed in the Consolidated Statement of Financial Position in respect of deferred interest, tax losses and tax credits is analysed as follows:

	At 30 September 2015 £m	At 30 September 2014 £m
UK	**64.6**	53.4
Rest of Europe	**1.6**	2.1
North America	**97.1**	87.8
Australia	**8.4**	11.2
	171.7	154.5

These losses have been recognised on the basis that the Directors are of the opinion, based on recent and forecast trading, that sufficient suitable taxable profits will be generated in the relevant territories in future accounting periods, such that it is considered probable that these assets will be recovered. Of these assets £6.3 million (2014 £6.6 million) have expiry dates between 2015 and 2034.

Included in the credit to income of £6.7 million (2014 £4.0 million) is a charge of £nil (2014 £0.2 million) relating to discontinued operations.

Included within other deferred tax are deferred tax assets of £nil (2014 £nil) in respect of capital losses and deferred tax liabilities of £nil (2014 £nil) in respect of revaluations and rolled-over gains and £0.3 million (2014 £nil) in respect of financial instruments. The £0.6 million credit to equity (2014 £nil) relates entirely to financial instruments.

There is an unrecognised deferred tax asset of £74.3 million (2014 £61.1 million) which relates to revenue losses where there is insufficient certainty that these losses will be utilised in the foreseeable future. There is an additional unprovided deferred tax asset relating to capital losses carried forward of £133.0 million (2014 £88.4 million). Of these assets £28.1 million (2014 £8.6 million) have expiry dates between 2022 and 2035.

No deferred tax liability is recognised on temporary differences of £281.0 million (2014 £219.0 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 2015 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.

Under IFRS deferred tax is calculated at the rate that has been enacted or substantively enacted at the balance sheet date. Legislation was substantively enacted in October 2015, after the balance sheet date, to reduce the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and for a further reduction from 19.0% to 18.0% from 1 April 2020. If UK deferred tax balances were to be revalued at these rates the impact would be an exceptional deferred tax charge of up to £12.5 million.

38 Called-up share capital

	Allotted, issued and fully paid At 30 September 2015 £m	Allotted, issued and fully paid At 30 September 2014 £m
Ordinary Shares of 12.5 pence each	**2.5**	2.5
A Ordinary Non-Voting Shares of 12.5 pence each	**42.9**	46.7
	45.4	49.2

	Allotted, issued and fully paid At 30 September 2015 Number of shares	Allotted, issued and fully paid At 30 September 2014 Number of shares
Ordinary shares	**19,890,364**	19,890,364
A Ordinary Non-Voting Shares	**343,066,342**	373,966,557
	362,956,706	393,856,921

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 4.2 million A Ordinary Non-Voting Shares, in order to satisfy incentive schemes. This represented 1.2% of the called-up A Ordinary Non-Voting Share capital at 30 September 2015.

The Company also purchased 4.7 million A Ordinary Non-Voting Shares having a nominal value of £0.6 million to match obligations under incentive plans. The consideration paid for these shares was £37.9 million.

The Company also purchased 10.8 million A Ordinary Non-Voting Shares having a nominal value of £1.4 million as part of a share buy-back programme. The consideration paid for these shares was £89.2 million.

Shares repurchased during the year represented 3.2% of the called-up A Ordinary Non-Voting Share capital at 30 September 2015.

During the year the Company cancelled 30.9 million A Ordinary Non-Voting Shares held in treasury.

At 30 September 2015 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 1,674,579 A Ordinary Non-Voting Shares (2014 2,667,385 shares).

A reconciliation of the movements in the number of shares during the year is provided below:

	Ordinary shares	A Ordinary Non-Voting Shares
At 30 September 2013	19,886,472	373,687,330
Shares issued	3,892	279,227
At 30 September 2014	19,890,364	373,966,557
Shares cancelled	–	(30,900,215)
At 30 September 2015	**19,890,364**	**343,066,342**

39 Reserves

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Share premium account			
At start of year		**17.8**	16.3
Issue of shares		**–**	1.5
At end of year		**17.8**	17.8
Capital redemption reserve			
At start of year		**1.1**	1.1
On cancellation of A Ordinary Non-Voting Shares		**3.8**	–
At end of year		**4.9**	1.1
Own shares			
At start of year		**(219.1)**	(116.6)
Purchase of DMGT shares	38	**(127.1)**	(91.3)
Group share of Euromoney own shares acquired		**–**	(14.6)
Own shares released on vesting of share options		**32.7**	23.4
Movement in closed period commitment to purchase Treasury Shares	36, 45	**20.0**	(20.0)
On cancellation of A Ordinary Non-Voting shares		**217.2**	–
At end of year		**(76.3)**	(219.1)

The Group's investment in its own shares represent shares held in treasury or shares held by an employee benefit trust to satisfy incentive schemes.

At 30 September 2015, this investment comprised 5,000,000 A Ordinary Non-Voting Shares (2014 25,082,829 shares) held in treasury and 2,690,766 A Ordinary Non-Voting Shares (2014 2,196,080 shares) held in the employee benefit trust. The market value of the Treasury Shares at 30 September 2015 was £37.7 million (2014 £192.1 million) and the market value of the shares held in the employee benefit trust at 30 September 2015 was £20.3 million (2014 £16.8 million).

39 Reserves continued

The employee benefit trust is independently managed and purchases shares in order to satisfy outstanding share options and potential awards under long-term incentive plans.

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Translation reserve			
At start of year		**(22.7)**	(37.0)
Foreign exchange differences on translation of foreign operations		**20.0**	13.6
Translation reserves recycled to Consolidated Income Statement on disposals	8, 18, 19	**(2.1)**	(1.9)
Transfer of loss on cash flow hedges from translation reserve to Consolidated Income Statement		**0.9**	0.8
Change in fair value of cash flow hedges		**(3.4)**	(1.1)
(Loss)/gain on hedges of net investments in foreign operations		**(18.6)**	2.9
At end of year		**(25.9)**	(22.7)

The translation reserve arises on the translation into sterling of the net assets of the Group's foreign operations, offset by changes in fair value of financial instruments used to hedge this exposure.

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
Retained earnings			
At start of year		**446.5**	310.1
Profit for the year		**216.6**	262.9
Dividends paid	12	**(75.0)**	(72.8)
Expenses incurred in relation to scheme of arrangement		**–**	0.2
Actuarial gain/(loss) on defined benefit pension schemes	35	**9.5**	(49.2)
Credit to equity for share-based payments		**17.9**	9.6
Settlement of exercised share options of subsidiaries		**(33.5)**	(5.7)
Initial recording of put options granted to non-controlling interests in subsidiaries	(i)	**(20.5)**	(19.6)
Exercise of acquisition put option commitments		**0.7**	0.1
Cancellation of shares held in treasury		**(217.2)**	–
Adjustment to equity following increased stake in controlled entity		**(5.9)**	2.3
Adjustment to equity following decreased stake in controlled entity		**(0.2)**	(2.9)
Current tax on items recognised in equity		**–**	1.8
Deferred tax on actuarial movement	37	**(1.9)**	9.8
Deferred tax on other items recognised directly in equity	37	**2.0**	(0.1)
At end of year		**339.0**	446.5
At end of year – total reserves		**259.5**	223.6

(i) £20.5 million (2014 £19.6 million) representing the present 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 value after initial recognition are recorded in the Consolidated Income Statement.

40 Non-controlling interests

	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
At start of year		**117.8**	113.6
Share of profit for the year		**28.7**	20.1
Dividends paid		**(9.8)**	(9.7)
Shares issued		**0.8**	0.8
Non-controlling interests arising from business combinations	17	**9.1**	0.9
Loss on hedges of net investments in foreign operations		**(2.8)**	(1.1)
Transfer of loss on cash flow hedges to Consolidated Income Statement		**0.4**	0.4
Change in fair value of cash flow hedges		**(1.6)**	(0.5)
Foreign exchange differences on translation of foreign operations		**7.5**	(1.2)
Actuarial gain/(loss) on defined benefit pension schemes	35	**0.8**	(0.7)
Exercise of acquisition put option commitments		**(0.7)**	(0.1)
Credit to equity for share-based payments		**(0.6)**	0.7
Deferred tax on actuarial movement	37	**(0.2)**	0.1
Deferred tax on other items recognised directly in equity	37	**–**	(0.3)
Current tax on items recognised in equity		**–**	0.9
Adjustment to non-controlling interest following decreased stake in controlled entity		**0.2**	2.9
Adjustment to non-controlling interest following increased stake in controlled entity		**5.9**	(2.3)
Other transactions with non-controlling interests		**(0.6)**	0.2
Euromoney own shares acquired		**–**	(6.9)
At end of year		**154.9**	117.8

Set out below is summarised financial information of Euromoney Institutional Investor PLC (Euromoney) which has a 32.1% (2014 32.05%) non-controlling interest that is material to the Group. The summarised financial information is extracted on a 100% basis from Euromoney's own financial statements as at 30 September 2015.

Euromoney is listed on the London Stock Exchange and is a leading international business to business media group focused primarily on the international finance, metals and commodities sectors.

	2015 £m	2014 £m
Revenue	**403.4**	406.6
Operating profit before share of results of joint ventures and associates	**123.1**	103.3
Share of results of joint ventures and associates	**(0.4)**	0.3
Interest income	**5.1**	1.5
Interest expense	**(4.6)**	(3.7)
Tax	**(17.6)**	(25.6)
Profit after tax	**105.6**	75.8
Other comprehensive income	**14.4**	(6.4)
Total comprehensive income	**120.0**	69.4

	2015 £m	2014 £m
Non-current assets	**579.1**	564.2
Cash and cash equivalents	**8.9**	8.6
Other current assets	**101.2**	77.4
Total assets	**689.2**	650.2
Current liabilities	**(211.1)**	(208.9)
Non-current liabilities	**(33.2)**	(84.8)
Total liabilities	**(244.3)**	(293.7)
Net assets	**444.9**	356.5

40 Non-controlling interests continued

For the year ended 30 September 2015, the movement in the non-controlling interest in Euromoney is as follows:

	2015 £m	2014 £m
Opening balance	**119.6**	113.1
Shares issued	**0.5**	0.3
Share of profit for the year	**33.8**	24.4
Dividends paid	**(9.8)**	(9.8)
Adjustment to non-controlling interests following decreased stake in controlled entity	**0.2**	2.9
Adjustment to non-controlling interests following increased stake in controlled entity	**–**	(3.1)
Other transactions with non-controlling interests	**3.6**	(1.2)
Exercise of acquisition put option commitments	**(1.1)**	(0.1)
Exchange adjustment	**0.3**	–
Euromoney own shares acquired	**–**	(6.9)
Closing balance	**147.1**	119.6

41 Commitments and contingent liabilities

Commitments

	At 30 September 2015 £m	At 30 September 2014 £m
Property, plant and equipment		
Contracted but not provided in the financial statements	**0.1**	0.5

At 30 September 2015 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	At 30 September 2015 Properties £m	At 30 September 2014 Properties £m	At 30 September 2015 Plant and equipment £m	At 30 September 2014 Plant and equipment £m
Within one year	**32.4**	32.8	**8.2**	11.3
Between one and two years	**25.8**	27.3	**3.5**	7.9
Between two and five years	**63.7**	63.0	**0.7**	3.0
After five years	**30.3**	63.5	**–**	–
	152.2	186.6	**12.4**	22.2

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 are separately disclosed below.

	At 30 September 2015 £m	At 30 September 2014 £m
Within one year	**10.5**	10.4
Between one and two years	**6.4**	1.7
Between two and five years	**0.3**	–
	17.2	12.1

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 £42.0 million (2014 £53.7 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 £54.2 million (2014 £61.9 million).

Contingent liabilities

The Group has issued standby letters of credit of £2.2 million (2014 £1.8 million).

The Group is exposed to libel claims in the ordinary course of business and vigorously defends against claims received. The Group makes provision for the estimated costs to defend such claims when incurred and provides for any settlement costs when such an outcome is judged probable.

Four writs claiming damages for libel were issued in Malaysia against Euromoney and three of its employees in respect of an article published in one of Euromoney's magazines, International Commercial Litigation, in November 1995. The writs were served on Euromoney on 22 October 1996. Two of these writs have been discontinued. The total outstanding amount claimed on the two remaining writs is Malaysian ringgit 82.6 million (£12.4 million). No provision has been made for these claims in these financial statements as the Directors do not believe that Euromoney has any material liability in respect of these writs.

42 Share-based payments

The Group offers a number of share-based remuneration schemes to Directors and certain employees. The principal schemes comprise share options under the DMGT, Euromoney and within dmg information, 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 10 years from the date of grant at a price equivalent to the market value of the respective shares at the date of grant. Details of the performance conditions relating to the DMGT schemes are explained in the Remuneration Report.

For equity-settled share-based payment transactions, IFRS 2, Share-based payments applies to grants of shares, share options or other equity instruments made after 7 November 2002 that had not vested by 1 January 2005.

The charge to the Consolidated Income Statement is as follows:

Segment	Scheme	Note	Year ended 30 September 2015 £m	Year ended 30 September 2014 £m
DMGT Board and head office	Executive Share Option Scheme		**0.3**	0.2
	Executive Bonuses		**0.1**	0.1
	Long-Term Incentive Plan		**2.2**	2.2
RMS	Option Plan		**13.4**	5.9
Euromoney	Capital Appreciation Plan		**(2.0)**	2.1
	Cash-settled options		**(0.5)**	0.3
dmg information	Option Plan		**2.0**	1.3
dmg media	Long-Term Incentive Plan		**1.3**	0.1
Social security costs			**0.5**	0.5
		6	**17.3**	12.7

The fair value of share options for each of these schemes was determined using a Black-Scholes model. Full details of inputs to the models, particular to each scheme, are set out below. With respect to all schemes, expected volatility has been estimated, based upon relevant 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 reprice any of its outstanding options during the year.

42 Share-based payments continued

Further details of the Group's significant schemes are set out below:

DMGT 2006 Executive Share Option Scheme

Under the DMGT 2006 Executive Share Option Scheme, each award of options has a maximum life of 10 years. The maximum award limit is 100% of salary in any year in normal circumstances and 200% of salary in exceptional circumstances. Awards will not normal vest until three years after the award and the performance conditions have been met. No options were outstanding to Directors during the year.

	Year ended 30 September 2015 Number of share options	Year ended 30 September 2015 Weighted average exercise price £	Year ended 30 September 2014 Number of share options	Year ended 30 September 2014 Weighted average exercise price £
Outstanding at 1 October 2014	**1,459,052**	**4.87**	1,737,078	4.71
Granted during the year	**133,566**	**8.29**	108,469	9.16
Forfeited during the year	**–**	**–**	(40,000)	4.63
Exercised during the year	**(670,950)**	**4.14**	(315,792)	5.37
Expired during the year	**–**	**–**	(30,703)	5.99
Outstanding at 30 September 2015	**921,668**	**5.90**	1,459,052	4.87
Exercisable at 30 September 2015	**421,383**	**5.02**	857,333	4.62
Exercisable at 1 October 2014	**857,333**	**4.62**	918,828	4.71

The aggregate of the estimated fair values of the options granted during the year is £0.2 million (2014 £0.2 million).

The options outstanding at 30 September 2015 had a weighted average remaining contractual life of 5.8 years (2014 5.6 years).

The inputs into the Black-Scholes model are as follows:

Date of grant	31 March 2006	27 November 2006	17 December 2007	24 November 2008	26 January 2009	14 December 2009
Market value of shares at date of grant (£)	6.98	6.88	5.05	2.50	2.53	4.04
Option price (£)	6.98	6.88	5.05	2.50	2.53	4.04
Number of share options outstanding	60,000	57,476	46,054	27,000	27,887	82,768
Term of option (years)	10.00	10.00	10.00	10.00	10.00	10.00
Assumed period of exercise after vesting (years)	7.00	7.00	7.00	7.00	7.00	7.00
Exercise price (£)	6.98	6.88	5.05	2.50	2.53	4.04
Risk-free rate (%)	4.50	4.30	4.30	3.00	3.00	3.00
Expected dividend yield (%)	1.72	1.90	2.84	5.89	5.81	3.64
Volatility (%)	20.00	20.00	20.00	40.00	40.00	40.00
Fair value per option (£)	1.53	1.51	1.18	0.56	0.56	1.13

Date of grant	6 December 2010	5 December 2011	27 June 2012	17 December 2012	9 December 2013	10 December 2014
Market value of shares at date of grant (£)	5.39	3.98	3.91	5.27	9.16	8.10
Option price (£)	5.39	3.98	3.91	5.27	9.16	8.29
Number of share options outstanding	83,198	37,000	100,000	158,250	108,469	133,566
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	5.00	5.00
Exercise price (£)	5.39	3.98	3.91	5.27	9.16	8.29
Risk-free rate (%)	2.00	1.50	1.00	1.00	1.50	1.08
Expected dividend yield (%)	2.97	4.27	4.43	3.42	2.00	2.77
Volatility (%)	30.00	30.00	30.00	30.00	25.00	25.70
Fair value per option (£)	1.22	0.71	0.70	0.98	1.69	1.31

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. Further details are shown in the Remuneration Report.

	Year ended 30 September 2015 Number of share options	Year ended 30 September 2015 Weighted average exercise price £	Year ended 30 September 2014 Number of share options	Year ended 30 September 2014 Weighted average exercise price £
Outstanding at 1 October 2014	**863,625**	**–**	890,530	–
Granted during the year	**32,271**	**–**	78,401	–
Exercised during the year	**(142,985)**	**–**	(105,306)	–
Outstanding at 30 September 2015	**752,911**	**–**	863,625	–
Exercisable at 30 September 2015	**512,604**	**–**	396,019	–
Exercisable at 1 October 2014	**396,019**	**–**	–	–

The aggregate of the estimated fair values of the awards granted during the year is £nil (2014 £nil).

The awards outstanding at 30 September 2015 had a weighted average remaining contractual life of 3.1 years (2014 4.0 years).

DMGT Long-Term Incentive Plan

Details of the terms and conditions relating to this scheme are set out in the Remuneration Report.

	Year ended 30 September 2015 Number of share options	Year ended 30 September 2015 Weighted average exercise price £	Year ended 30 September 2014 Number of share options	Year ended 30 September 2014 Weighted average exercise price £
Outstanding at 1 October 2014	**2,273,571**	**5.41**	2,364,655	4.96
Granted during the year	**612,703**	**8.29**	366,980	8.97
Exercised during the year	**(84,563)**	**4.07**	(136,797)	6.75
Expired during the year	**–**	**–**	(321,267)	5.59
Outstanding at 30 September 2015	**2,801,711**	**6.08**	2,273,571	5.41
Exercisable at 30 September 2015	**111,110**	**4.04**	187,673	4.04
Exercisable at 1 October 2014	**187,673**	**4.04**	–	–

The aggregate of the estimated fair values of the awards granted during the year is £5.0 million (2014 £3.3 million).

The awards outstanding at 30 September 2015 had a weighted average remaining contractual life of 1.9 years (2014 2.5 years).

Options under the DMGT Long-Term Incentive Scheme

The inputs into the Black-Scholes model are as follows:

Date of grant	19 December 2009	19 December 2009	19 December 2009	19 December 2009	19 December 2009
Market value of shares at date of grant (£)	4.04	4.04	4.04	4.04	4.04
Option price (£)	4.04	4.04	4.04	4.04	4.04
Number of share options outstanding	74,073	37,037	62,558	62,558	62,558
Term of option (years)	2.78	3.00	4.00	5.00	6.00
Assumed period of exercise after vesting (years)	Nil	Nil	Nil	Nil	Nil
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	3.00	3.00	3.00	3.00	3.00
Expected dividend yield (%)	3.64	3.64	3.64	3.64	3.64
Volatility (%)	40.00	40.00	40.00	40.00	40.00
Fair value per option (£)	4.04	4.04	4.04	4.04	4.04

42 Share-based payments continued

Date of grant	20 December 2010	20 December 2010	20 December 2010	20 December 2010	20 December 2010
Market value of shares at date of grant (£)	5.59	5.59	5.59	5.59	5.59
Option price (£)	5.59	5.59	5.59	5.59	5.59
Number of share options outstanding	82,323	41,161	41,161	41,161	41,161
Term of option (years)	2.78	3.00	4.00	5.00	6.00
Assumed period of exercise after vesting (years)	Nil	Nil	Nil	Nil	Nil
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	3.00	3.00	3.00	3.00	2.00
Expected dividend yield (%)	2.86	2.86	2.86	2.86	2.86
Volatility (%)	30.00	30.00	30.00	30.00	30.00
Fair value per option (£)	5.59	5.59	5.59	5.59	5.59

Date of grant	13 February 2012	10 December 2012	9 December 2013	22 December 2014	22 December 2014
Market value of shares at date of grant (£)	4.37	5.27	9.16	8.11	8.11
Option price (£)	4.37	5.27	9.16	8.11	8.11
Number of share options outstanding	705,470	588,631	349,156	215,133	397,570
Term of option (years)	5.00	5.00	5.00	5.00	3.00
Assumed period of exercise after vesting (years)	Nil	Nil	Nil	Nil	Nil
Exercise price (£)	Nil	Nil	Nil	Nil	Nil
Risk-free rate (%)	1.00	1.00	1.50	1.08	0.65
Expected dividend yield (%)	Nil	Nil	Nil	Nil	Nil
Volatility (%)	30.00	30.00	25.00	25.70	24.10
Fair value per option (£)	4.37	5.27	9.07	8.11	8.11

RMS option plan

RMS options were granted at market value. The options become exercisable after a four-year vesting period and lapse 10 years and five years from grant date under the 2001 and 2005 option plan respectively. Previously, the stock issued under the plan was subject to a nine-month holding period, which was subsequently removed during 2007. The stock issued under the plan is subject to put or call options where DMGT has the right to settle in DMGT A Ordinary Shares or cash. The option plan classification changed from a cash-settled plan in June 2005 to an equity-settled plan following this change of settlement feature of stock issued under the plan. After 30 September 2011 options under the 2001 and 2005 plan are no longer awarded.

During the year ended 30 September 2011 RMS introduced the Executive Incentive Plan (EIP) and the Long-Term Incentive Plan (LTIP). Under the EIP options and Restricted Stock Units (RSU) were awarded to senior management. Under the LTIP RSUs were awarded to key employees. The options and RSUs were granted at market value under both plans. The options vest based on the conditions of time and company performance at three and five years from date of grant. The options lapse after seven years from grant date. The RSUs under both plans vest annually over three years.

A 2014 Equity Award Plan (the Plan) was introduced during the year ended 30 September 2014. Under the Plan options and RSUs, both time and performance based, are granted to employees who are deemed to be in a position to contribute to the long-term success of RMS.

The RSU expense is determined by the fair market value of RMS stock at the date of grant. The expense is amortised using an accelerated method. Under this method the RSUs are equally allocated to each of the three annual vesting components and he related expense is amortised over 12, 24, and 36 months respectively.

In November 2014, RMS approved an option exchange programme allowing RMS option holders to exchange their existing out-of-the-money options for new options with a strike price of US$40.0 or RSUs where eligible.

	Year ended 30 September 2015 Number of share options	Year ended 30 September 2015 Weighted average exercise price US$	Year ended 30 September 2014 Number of share options	Year ended 30 September 2014 Weighted average exercise price US$
Outstanding at 1 October 2014	**2,048,548**	**47.10**	2,043,599	47.10
Granted during the year	**535,859**	**40.00**	966,500	58.35
Forfeited during the year	**(2,066,019)**	**51.31**	(284,448)	54.33
Exercised during the year	**(6,282)**	**15.33**	(677,103)	47.20
Expired during the year	**(1,876)**	**16.61**	–	–
Outstanding at 30 September 2015	**510,230**	**40.20**	2,048,548	47.10
Exercisable at 30 September 2015	**324,256**	**40.16**	725,286	46.12
Exercisable at 1 October 2014	**725,286**	**46.12**	724,984	45.95

The weighted average share price at the date of exercise for share options exercised during the year was US$15.53 (2014 US$58.35).

The options outstanding at 30 September 2015 had a weighted average exercise price of US$40.20 (2014 US$51.36) and a weighted average remaining contractual life of 6.1 years (2014 4.0 years).

The inputs into the Black-Scholes model are as follows:

Date of grant	During 2014	During 2015
Market value of shares at date of grant (US$)	58.35	**40.00**
Option price (US$)	58.35	**40.00**
Number of share options outstanding	5,499	**504,731**
Term of option (years)	7.00	**7.00**
Assumed period of exercise after vesting (years)	3-6	**4-5**
Exercise price (US$)	58.35	**40.00**
Risk-free rate (%)	1.25	**1.25**
Expected dividend yield (%)	2.91	**3.63**
Volatility (%)	28.81	**25.63**
Fair value per option (US$)	10.78	**5.75**

Expected volatility was determined by calculating the historical volatility of comparable companies.

RMS RSU awards

	Year ended 30 September 2015 Number of RSUs	Year ended 30 September 2015 Weighted average exercise price US$	Year ended 30 September 2014 Number of RSUs	Year ended 30 September 2014 Weighted average exercise price US$
Outstanding at 1 October 2014	**701,541**	**–**	375,444	–
Granted during the year	**744,559**	**–**	667,994	–
Exercised during the year	**(279,759)**	**–**	(170,007)	–
Expired during the year	**(474,149)**	**–**	(171,890)	–
Outstanding at 30 September 2015	**692,192**	**–**	701,541	–
Exercisable at 30 September 2015	**16,750**	**–**	4,042	–
Exercisable at 1 October 2014	**4,042**	**–**	–	–

The weighted average share price at the date of exercise for RSUs exercised during the year was US$40.00 (2014 US$58.35).

Euromoney Capital Appreciation Plan 2014 (CAP 2014)

The CAP 2014 was approved by Euromoney's shareholders on 30 January 2014 as a replacement for CAP 2010. Each CAP 2014 award comprises two equal instalments: an option to subscribe for Ordinary Shares of 0.25 pence each in Euromoney for nil consideration, and a right to receive a cash payment. The value of the awards is linked directly to the growth in profits over the performance period. The award pool comprises a maximum of 3.5 million Euromoney shares and cash of £7.6 million, limiting the cost of the scheme to £41.0 million over its life. Awards will vest in three equal tranches, subject to the performance conditions and lapse to the extent unexercised by 30 September 2023.

	Year ended 30 September 2015 Number of share options	Year ended 30 September 2015 Weighted average exercise price £	Year ended 30 September 2014 Number of share options	Year ended 30 September 2014 Weighted average exercise price £
Outstanding at 1 October 2014	**2,097,363**	**0.0025**	–	–
Granted during the year	**–**	**–**	2,097,363	0.0025
Outstanding at 30 September 2015	**2,097,363**	**0.0025**	2,097,363	0.0025
Exercisable at 30 September 2015	**–**	**–**	–	–
Exercisable at 1 October 2014	**–**	**–**	–	–

The options outstanding at 30 September 2015 had a weighted average exercise price of £0.0025 (2014 £0.0025) and a weighted average remaining contractual life of 8.01 years (2014 9.01 years).

The aggregate of the estimated fair values of the options granted during the year is £nil (2014 £20.0 million).

42 Share-based payments continued

The inputs into the Black-Scholes model are as follows:

Date of grant	20 June 2014	20 June 2014	20 June 2014
Market value of shares at date of grant (£)	11.16	11.16	11.16
Option price (pence)	0.25	0.25	0.25
Number of share options outstanding	140,412	832,998	1,123,953
Term of option (years)	9.28	9.28	9.28
Assumed period of exercise after vesting (years)	4.00	5.00	6.00
Exercise price (pence)	0.25	0.25	0.25
Risk-free rate (%)	1.50	1.90	2.30
Expected dividend yield (%)	8.43	8.43	8.43
Fair value per option (£)	9.89	9.57	9.19

The CAP 2014 options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise. The expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Euromoney Share Option Plan (CSOP 2014)

The CSOP 2014 was approved by Euromoney's shareholders on 30 January 2014. Each CSOP 2014 option enables each UK participant to purchase up to 2,688 shares and each Canadian participant to purchase up to 8,963 shares in Euromoney at a price of £11.15 per share, the market value at the date of grant. The options vested and became exercisable at the same time as the corresponding share award under the CAP 2014. The CSOP 2014 has the same performance criteria as that of the CAP 2014. The number of CSOP 2014 awards that vest proportionally reduced the number of shares that vest under the CAP 2014. The CSOP 2014 is effectively a delivery mechanism for part of the CAP 2014 award. The CSOP 2014 options have an exercise price of £11.15 which will be satisfied by a funding award mechanism which is in place and results in a net gain on these options being delivered in the equivalent number of shares to participants as if the same gain had been delivered using the CAP 2014 options. The amount of the funding award will depend on the Euromoney share price at the date of exercise.

	Year ended 30 September 2015 Number of share options	Year ended 30 September 2015 Weighted average exercise price £	Year ended 30 September 2014 Number of share options	Year ended 30 September 2014 Weighted average exercise price £
Outstanding at 1 October 2014	**517,031**	**0.0025**	–	–
Granted during the year	**–**	**–**	517,031	0.0025
Outstanding at 30 September 2015	**517,031**	**0.0025**	517,031	0.0025
Exercisable at 30 September 2015	**–**	**–**	–	–
Exercisable at 1 October 2014	**–**	**–**	–	–

The options outstanding at 30 September 2015 had a weighted average exercise price of £0.0025 (2014 £0.0025) and a weighted average remaining contractual life of 8.01 years (2014 9.01 years).

The aggregate of the estimated fair values of the options granted during the year is £nil (2014 £4.9 million).

The inputs into the Black-Scholes model are as follows:

Date of grant	20 June 2014
Market value of shares at date of grant (£)	11.16
Option price (£)	11.16
Number of share options outstanding	517,031
Term of option (years)	9.28
Assumed period of exercise after vesting (years)	4.0
Exercise price (£)	11.16
Risk-free rate (%)	1.50
Expected dividend yield (%)	8.43
Fair value per option (£)	9.89

Euromoney Capital Appreciation Plan 2010 (CAP 2010)

The CAP 2010 executive share option scheme was approved by Euromoney shareholders on 21 January 2010. Each CAP 2010 award comprises two equal elements: an option to subscribe for Ordinary Shares of 0.25 pence each in Euromoney at an exercise price of 0.25 pence per Ordinary Share, and a right to receive a cash payment.

The award pool comprised 3,500,992 Euromoney Ordinary Shares with an option value of £15.0 million and cash of £15.0 million, limiting the total accounting cost to £30.0 million over its life.

The awards will vest in two equal tranches. The first tranche of awards became exercisable in February 2013 on satisfaction of the primary performance condition in 2012. The second tranche became exercisable in February 2014 in which the primary performance condition was again satisfied. The vesting of the second tranche is subject to an additional performance condition, applicable for the vesting of the second tranche of awards, which requires the profits of each business in the subsequent vesting period be at least 75% of that achieved in the year the first tranche of awards became exercisable. The options lapse to the extent unexercised by 30 September 2020.

The number of options received under the share award of CAP 2010 is reduced by the number of options vesting with participants from the 2010 Euromoney Share Option Plan.

The CAP 2010 options were valued using a fair value model that adjusted the share price at the date of grant for the net present value of expected future dividend streams up to the date of expected exercise. The expected term of the option used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

	Year ended 30 September 2015 Number of share options	Year ended 30 September 2015 Weighted average exercise price £	Year ended 30 September 2014 Number of share options	Year ended 30 September 2014 Weighted average exercise price £
Outstanding at 1 October 2014	**55,421**	**0.0025**	1,720,314	0.0025
Forfeited during the year	**–**	**–**	(43,267)	0.0025
Exercised during the year	**(6,599)**	**0.0025**	(1,621,626)	0.0025
Expired during the year	**(7,889)**	**0.0025**	–	–
Outstanding at 30 September 2015	**40,933**	**0.0025**	55,421	0.0025
Exercisable at 30 September 2015	**40,933**	**0.0025**	55,421	0.0025
Exercisable at 1 October 2014	**55,421**	**0.0025**	10,468	0.0025

The weighted average share price at the date of exercise for share options exercised during the year was £10.47 (2014 £12.48).

The options outstanding at 30 September 2015 had a weighted average exercise price of £0.0025 (2014 £0.0025) and a weighted average remaining contractual life of 5.0 years (2014 6.0 years).

The aggregate of the estimated fair values of the options granted during the year is £nil (2014 £nil).

The inputs into the Black-Scholes model are as follows:

Date of grant	30 March 2010
Market value of shares at date of grant (£)	5.01
Option price (pence)	0.25
Number of share options outstanding	40,933
Term of option (years)	10.00
Assumed period of exercise after vesting (years)	5.00
Exercise price (pence)	0.25
Risk-free rate (%)	2.75
Expected dividend yield (%)	7.00
Fair value per option (£)	4.20

Cash-settled options

Euromoney has a liability in respect of the CAP 2010 scheme classified by IFRS 2 as cash settled. The total carrying value at 30 September 2015 included in the Consolidated Statement of Financial Position is a liability of £0.1 million (2014 £0.6 million). Options with an intrinsic value of £nil million (2014 £0.1 million) had vested but are not yet exercised.

43 Ultimate holding company

The Company's immediate parent Company is Rothermere Continuation Limited (RCL), a company incorporated in Bermuda.

Daily Mail and General Trust plc and Euromoney Institutional Investor PLC are the only companies in the Group to prepare consolidated financial statements.

44 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.

Ultimate controlling party

RCL is a holding company incorporated in Bermuda. The main asset of RCL is its 100% holding of DMGT Ordinary Shares. RCL has controlled the Company for many years and as such is its immediate parent Company. RCL is owned by a trust (the Trust) which is held for the benefit of Viscount Rothermere and his immediate family. The Trust represents the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey, in the Channel Islands. RCL and its directors, the Trust and its beneficiaries are related parties of the Company.

Transactions with Directors

During the year, in an arm's length transaction, Euromoney sold a property to Mintel Ltd for consideration of £2.3 million. Mr N Berry, a Director of DMGT plc, owns 97.0% of Mintel Ltd through a family holding.

There were no other 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 69.

Transactions with joint ventures and associates

Details of the Group's principal joint ventures and associates are set out in Note 25.

Associated Newspapers Ltd (ANL) has a 33.3% (2014 33.3%) shareholding in Fortune Green Ltd. During the year, the Group received revenue for newsprint, computer and office services of £0.1 million (2014 £0.5 million). The amount due from Fortune Green Ltd at 30 September 2015 was £nil (2014 £0.4 million) after writing off £0.3 million (2014 £nil) following closure of the business during the year.

Daily Mail and General Holdings Ltd (DMGH) has a 38.7% (2014 38.7%) shareholding in Local World Holdings Ltd (Local World). During the year. the Group provided printing and newspaper services of £18.4 million (2014 £20.2 million) to Local World. Amounts paid to Local World in respect of receivables collected on their behalf and revenue shares amounted to £52.0 million (2014 £57.9 million). During the year Local World were charged £0.6 million (2014 £0.4 million) by the Group for rent and service charges in relation to leasehold and investment properties. The net amount due to Local World from the Group at 30 September 2015 was £2.0 million (2014 £4.6 million). During the year, the Group received dividends of £23.2 million (2014 £6.1 million) from Local World.

During the year, Landmark Information Group Ltd (Landmark) charged management fees of £0.3 million (2014 £0.3 million) to Point X Ltd, a joint venture, and recharged costs of £0.1 million (2014 £0.1 million). The amount due from Point X Ltd to Landmark at 30 September 2015 was £0.1 million (2014 £nil).

Trepp LLC (Trepp) previously held a 50.0% (2014 50.0%) interest in TreppPort LLC (TreppPort), a joint venture. In July 2015, the Group gained control of TreppPort following the acquisition of an additional 1.0% stake. During the year, Trepp received £nil (2014 £0.3 million) of revenue from TreppPort and also paid TreppPort £nil (2014 £0.3 million) of costs. During the year, Trepp recharged TreppPort salary costs of £nil (2014 £0.1 million). The amount outstanding between Trepp and TreppPort at 30 September 2015 was £nil (2014 £nil).

Trepp has an 18.8% (2014 18.8%) interest in Mercatus Inc, an associate. At 30 September 2015, Trepp held a loan note receivable from Mercatus Inc, amounting to £0.3 million (2014 £nil).

DMGI Land and Property Europe Ltd has a 30.0% (2014 30.0%) interest in Ochresoft Technologies Ltd (OTL), an associate. At 30 September 2015, £0.6 million (2014 £0.2 million) was owed by OTL to Landmark, a subsidiary undertaking.

Decision Insight Information Group (UK) Ltd (DIIG UK) has a 50.0% (2014 50.0%) interest in Decision First Ltd (DF), a joint venture. During the year, DIIG UK recharged costs to DF amounting to £0.2 million (2014 £0.2 million). At 30 September 2015, £nil (2014 £0.2 million) was owed by DF to DIIG UK.

On-Geo GmbH (On-Geo) has a 50.0% (2014 50.0%) interest in HypoPort On-Geo GmbH (HypoPort), a joint venture. During the year, HypoPort made purchases from On-Geo amounting to £4.9 million (2014 £6.5 million). At 30 September 2015, £1.0 million (2014 £1.2 million) was owed by HypoPort to On-Geo.

On-Geo has a 50.0% (2014 50.0%) interest in Instant Service GmbH (IS), a joint venture. During the year IS received revenues from On-Geo amounting to £9.6 million (2014 £6.9 million) and was recharged costs from On-Geo amounting to £0.2 million (2014 £0.2 million). At 30 September 2015, £nil (2014 £1.2 million) was owed by IS to On-Geo.

ANL holds a 50.0% (2014 50.0%) shareholding in Artirix Ltd (Artirix), a joint venture. During the year the Group provided services totalling £0.1 million (2014 £nil) to Artirix, with £nil (2014 £nil) remaining due at 30 September 2015.

At 30 September 2015 Artirix owed £nil to various Group companies (2014 £1.7 million).

ANL has a 31.3% (2014 31.8%) shareholding in Zoopla Property Group Plc (Zoopla), an associate. Net services (under the Transitional Services Agreement) provided by ANL totalled £nil (2014 £0.1 million) for the year, and £nil (2014 £0.2 million) of other transactional payments were made by ANL on behalf of Zoopla. At 30 September 2015 there were no amounts outstanding between the Group and Zoopla (2014 £nil).

During the year, the Group received dividends of £2.7 million (2014 £18.8 million) from Zoopla.

AN Mauritius Ltd has a 26.0% (2014 26.0%) interest in Mail Today Newspapers Pte Ltd, a joint venture. During the year, additional share capital of £0.1 million (2014 £0.9 million) was invested in Mail Today Newspapers Pte Ltd.

ANL has a 50.0% (2014 50.0%) shareholding in Northprint Manchester Ltd, a joint venture. The net amount due to ANL of £5.8 million (2014 £5.8 million) has been fully provided.

Northcliffe Media Ltd (NML) has a 25.0% (2014 25.0%) shareholding in Extra Newspapers Ltd, an associate. At 30 September 2015, £nil (2014 £0.3 million) was owed to NML.

ANL has a 50.0% (2014 50.0%) interest in Daily Mail.com Australia Pty Ltd (Mail Online Australia), a joint venture. During the year, ANL provided services amounting to £0.8 million (2014 £1.0 million). At 30 September 2015, Mail Online Australia owed the Group £1.6 million (2014 £1.0 million), of which £0.5 million (2014 £nil) has been fully provided.

During the year the Group received a dividend of £0.1 million (2014 £0.3 million) from Capital NET Ltd, an associate. The Group disposed of its investment in Capital NET Ltd during the year.

Other related party disclosures

During the year RCL received a payment of £52,200 relating to legal fees incurred in respect of Zoopla's acquisition of uSwitch and a payment of £10,000 in relation to an Australian tax enquiry.

During the year Lady Rothermere received a payment of £0.1 million relating to consultancy services provided during the refurbishment of Northcliffe House.

Under an agreement to guarantee the income generated from certain property assets held by the Harmsworth Pension Scheme which were purchased from the Group during a prior period, the Group was charged for rent and service charges in relation to the current year amounting to £1.2 million (2014 £1.2 million). At 30 September 2015, the Harmsworth Pension Scheme was owed £0.1 million (2014 £nil) by the Group.

At 30 September 2015 the Group owed £0.8 million (2014 £1.1 million) to the pension schemes which it operates. This amount comprised employees' and employer's contributions in respect of September 2015 payrolls which were paid to the pension schemes in October 2015.

The Group recharges its principal pension schemes with costs of investment management fees. The total amount recharged during the year was £0.5 million (2014 £nil).

Contributions made during the year to the Group's retirement benefit plans are set out in Note 35, along with details of the Group's future funding commitments.

In July 2012, the Group entered into a contingent asset partnership whereby a £150.0 million loan note, guaranteed by the Group, was used to commit £10.8 million funding p.a. to the Harmsworth Pension Scheme. Interest payable to DMG Pensions Partnership LP in the year totalled £11.1 million (2014 £11.1 million).

45 Post balance sheet events

Disposals

Following the announcement in October 2015, of the proposed disposal of DMGT's 38.7% equity stake in Local World Holdings Ltd (Local World), the UK regional news publisher, to Trinity Mirror plc (Trinity Mirror), in November 2015 all Local World shareholders disposed of the entirety of their respective shareholdings to Trinity Mirror, with Trinity Mirror acquiring all of the shares in Local World in addition to Trinity Mirror's prior 20.0% holding. DMGT's share of the consideration, net of transaction costs, was £73.0 million.

In November 2015, the Group announced the disposal of its 96.1% equity stake in Wowcher, the website provider of vouchers enabling customers to receive goods and services at discounted prices, to a newly formed company in which the Group holds a c.30% stake. The net proceeds from the disposal of Wowcher and the investment in the new company amount to £29.0 million.

Acquisitions

On 1 October 2015, the dmg information segment agreed to acquire the entire share capital of Estate Technical Solutions Ltd (ETSOS) for expected consideration of £16.1 million from four private shareholders. ETSOS is a property search company, primarily delivering residential and commercial property information to legal professionals, and is based in Lancaster. The acquired business had revenues of £9.0 million and operating profit of £0.5 million, for the year ending 31 December 2014. The provisional fair value of net assets acquired with ETSOS were as follows:

Provisional fair value of net assets acquired with ETSOS:

	Provisional fair value £m
Goodwill	10.3
Intangible assets	6.3
Trade and other receivables	1.1
Cash and cash equivalents	0.9
Trade and other payables	(1.4)
Deferred tax	(1.1)
Net assets acquired	**16.1**

Other post balance sheet events

In reviewing DMGT's capital allocation programme and looking to the future, the Board has decided to continue to utilise part of its authority to make further on-market purchases of the A Ordinary Non-Voting Shares as part of an ongoing rolling programme. The size, frequency and number of purchases will depend on the portfolio management of the Group, including anticipated acquisition and disposal activity, and maintaining the preferred gearing ratio.

A board meeting of the Euromoney directors was held on 18 November 2015 and a number of Euromoney board changes were implemented as proposed by the Euromoney nominations committee. The nominations committee agreed that:

(i) the chairman of the Euromoney board be changed to a non-executive role and that J C Botts be appointed as the non-executive Euromoney chairman in an interim capacity until such time as Euromoney appoints a permanent independent non-executive chairman;

(ii) A Rashbass's role as Euromoney executive chairman be changed to the new role of Euromoney chief executive officer;

(iii) A Rashbass to step down as chairman of the Euromoney nominations committee and J C Botts to replace A Rashbass as chairman of the Euromoney nominations committee until an independent non-executive chairman has been appointed;

(iv) C H C Fordham to step down from the Euromoney nominations committee; and

(v) the number of executive directors on the Euromoney board to reduce and accordingly C H C Fordham, N Osborn, J Wilkinson, B AL-Rehany and D Alfano will not seek re-election at Euromoney's next AGM in January 2016.

46 Subsidiaries exempt from audit

The following UK subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ending 30 September 2015:

	Company registration number		Company registration number
A&N International Media Ltd	04147978	DMG Investment Holdings Ltd	03263138
Associated London Distribution Ltd	03961514	DMG Minor Investments Ltd	04228751
CTF Asset Finance Ltd	03178533	DMG Plymouth Ltd	09198500
Daily Mail International Ltd	01966438	DMGRH Finance Ltd	03191181
Derby Telegraph Media Group Ltd	00218661	Ex ERH Ltd	05910261
Derry Street Investments Ltd	04485760	EX TTH Ltd	04282263
DMG Angex Ltd	02302189	Harmsworth Printing (Stoke) Ltd	04148861
DMG Asset Finance Ltd	05528329	Harmsworth Royalties Ltd	04219212
DMG Atlantic Ltd	04521108	Kensington Finance Ltd	03960683
DMG Business Media Ltd	02823743	Kensington US Holdings Ltd	06320636
DMG Charles Ltd	04211684	Northcliffe Media Holdings Ltd	00272225
DMG Events International Ltd	04118004	Northcliffe Media Ltd	03403993
DMG Events Ltd	01150306	Ralph US Holdings	06341444
DMG Information Ltd	03708142	Young Street Holdings Ltd	04485808

The Directors of Daily Mail and General Trust plc have confirmed that the Company will provide a guarantee under Section 479C in relation to the subsidiaries listed above.

47 Full list of Group undertakings

Subsidiary name	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
7 Days FZ LLC	Dubai	Ordinary	100%
A&N International Media Ltd	UK	Ordinary	100%
A&N Media Finance Services Ltd	UK	Ordinary	100%
ABF1 Ltd	UK	Ordinary	67.9%
ABF2 Ltd	UK	Ordinary	67.9%
Adhesion Asia Ltd	Hong Kong	Ordinary	54.3%
Adhesion Group SA	France	Ordinary	67.9%
AN Mauritius Ltd	Mauritius	Ordinary	100%
Apply Yourself Inc	USA	Common	100%
Argyll Environmental Ltd	UK	Ordinary	67.9%
Asia Business Forum (Singapore) Pte Ltd	Singapore	Ordinary	67.9%
Asia Business Forum (Thailand) Ltd	Thailand	Ordinary	67.9%
Asia Business Forum SDN.BHD	Malaysia	Ordinary	67.9%
Asia Risk Centre Pte Ltd	Singapore	Ordinary	100%
Asia Risk Centre Inc	USA	Ordinary	100%
Asia Risk Centre (UK) Ltd	UK	Ordinary	100%
Associated London Distribution Ltd	UK	Ordinary	100%
Associated Metro Holdings Ltd (i)	Jersey	Ordinary	100%
Associated Newspapers (Ireland) Holdings Ltd	UK	Ordinary	100%
Associated Newspapers (Ireland) Ltd	Ireland	Ordinary	100%
Associated Newspapers (USA) Ltd	UK	Ordinary	100%
Associated Newspapers Ltd	UK	Ordinary	100%
Associated Newspapers North America Inc	USA	Common, Preference, Series A	100%
AY Software Services Inc	USA	Common	100%
Bath News & Media	UK	Ordinary	100%
BCA Research Inc	Canada	Ordinary	67.9%
Benchmark Financials Ltd	Colombia	Ordinary	67.9%
BPR Associados Ltda	Colombia	Ordinary	67.9%
BPR Benchmark Ltda	Colombia	Ordinary	67.9%
BPR Holdings Ltd	Colombia	Ordinary	67.9%
Bright Milestone Ltd	Hong Kong	Ordinary	67.9%
Brixspan LLC	USA	Ordinary	56.4%
BSG (USA) Inc	USA	Common	100%

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47 Full list of Group undertakings continued

Subsidiary name	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
Business Forum Group Holdings Ltd	Thailand	Ordinary	67.9%
Capital HIPS Ltd	UK	Ordinary	100%
Capital Searches UK Ltd	UK	Ordinary	100%
Catchpole Communications FZ-LLC	Dubai	Ordinary	100%
CEIC Data – Internet Securites Japan KK	Japan	Ordinary	67.9%
CEIC Data (SG) Pte Ltd	Singapore	Ordinary	67.9%
CEIC Data (Shanghai) Co Ltd	China	Ordinary	67.9%
CEIC Data (Thailand) Co Ltd	Thailand	Ordinary	67.9%
CEIC Data Co Ltd	Hong Kong	Ordinary	67.9%
CEIC Data Korea Ltd	South Korea	Ordinary	67.9%
CEIC Holdings Ltd	Hong Kong	Ordinary	67.9%
CEICdata.com (Malaysia) Sdn Bhd	Malaysia	Ordinary	67.9%
Central Independent News and Media Ltd	UK	Ordinary	100%
Centre For Investor Education Pty Ltd	Australia	Ordinary	50.9%
Commodity Vectors (Ireland) Ltd	Ireland	Ordinary	100%
Commodity Vectors Ltd	UK	Ordinary	100%
Company Information Direct Ltd	UK	Ordinary	100%
Conveyancing Searches Ltd	UK	Ordinary	100%
Cornwall & Devon Media Ltd	UK	Ordinary	100%
Courier Media Group Ltd	UK	Ordinary	100%
CTF Asset Finance Ltd	UK	Ordinary	100%
Daily Mail and General Holdings Ltd*	UK	Ordinary	100% (100%)
Daily Mail and General Investments Ltd	UK	Ordinary	100%
Daily Mail International Ltd	UK	Ordinary	100%
Daily Mail Ltd	UK	Ordinary	100%
David Kirk & Associates (Leven) Ltd	UK	Ordinary	100%
Decision Insight Hub Ltd	UK	Ordinary	100%
Decision Insight Information Group (Europe) Ltd	UK	Ordinary	100%
Decision Insight Information Group (Ireland) Ltd	Ireland	Ordinary	100%
Decision Insight Information Group (UK) Ltd	UK	Ordinary	100%
Decision Insight Packco Ltd	UK	Ordinary	100%
Derby Telegraph Media Group Ltd	UK	Ordinary	100%
Derry Street Investments Ltd	UK	Ordinary	100%
Digital H20 Inc	USA	Common	100%
DKA Ltd	UK	Ordinary	100%
DMG Angex Ltd	UK	Ordinary	100%
DMG Asset Finance Ltd	UK	Ordinary	100%
DMG Atlantic Ltd	UK	Ordinary	100%
DMG Business Media Ltd	UK	Ordinary	100%
DMG Charles Ltd	UK	Ordinary	100%
DMG Comet Sarl	Luxembourg	Ordinary	100%
DMG Conference & Exhibition Services (Shanghai) Ltd	China	Ordinary	100%
DMG Consolidated Holdings Pty Ltd	Australia	Ordinary	100%
DMG Development Co	USA	Ordinary	100%
DMG Events Energy Japan KK	Japan	Ordinary	100%
DMG Events Pty Ltd	Australia	Ordinary	100%
DMG Events (Canada) Inc	Canada	Ordinary	100%
DMG Events (MEA) Ltd	UK	Ordinary	100%
DMG Events (UK) Ltd	UK	Ordinary	100%
DMG Events (USA) Inc	USA	Common	100%
DMG Events Asia Pacific Pte Ltd	Singapore	Ordinary	100%
DMG Events India Private Ltd	India	Ordinary	100%
DMG Events International Ltd	UK	Ordinary	100%
DMG Events Ltd	UK	A Ordinary	100%
DMG Guernsey Ltd (ii)	Guernsey	Ordinary	100%
DMG Hobsons Pty Ltd	Australia	Ordinary	100%
DMG Holdings (Iceland) ehf (ii)	Iceland	Ordinary, A Ordinary	100%
DMG India Private Ltd	India	Ordinary	100%

Subsidiary name	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
DMG Information Asia Pacific Pte Ltd	Singapore	Ordinary	100%
DMG Information Holdings Inc	USA	Common	100%
DMG Information Hong Kong Company Ltd	Hong Kong	Ordinary	100%
DMG Information Ltd	UK	Ordinary	100%
DMG Information US Inc	USA	Common	100%
DMG Information Inc	USA	Common, Series A	100%
DMG Investment Holdings Ltd	UK	Ordinary	100%
DMG Ireland Holdings Ltd	Ireland	Ordinary	100%
DMG Loanco Ltd	UK	Ordinary	100%
DMG Media Investments Ltd	UK	Ordinary	100%
DMG Media Ltd	UK	Ordinary	100%
DMG Minor Investments Ltd	UK	Ordinary	100%
DMG Nederland BV	Netherlands	Ordinary	100%
DMG Oceans Ltd	UK	Ordinary	100%
DMG Plymouth Ltd	UK	Ordinary	100%
DMG US Holdings Inc	USA	Common	100%
DMG US Investments Inc	USA	Common	100%
DMG World Media Abu Dhabi Ltd (i)	Jersey	Ordinary	100%
DMG World Media Dubai (2006) Ltd (i)	Jersey	Ordinary	100%
DMGB Ltd*	UK	Ordinary	100% (100%)
dmgi Land & Property Europe Ltd	UK	Ordinary	100%
DMGRH Finance Ltd	UK	Ordinary	100%
EDR Landmark Management Services Ltd	UK	Ordinary	100%
EI Cap II LLC	USA	Membership interests	100%
EII Holdings Inc	USA	Common, Preference	67.9%
EII US Inc	USA	Common	67.9%
EII (Ventures) Ltd	UK	Ordinary	67.9%
EIMN LLC	USA	Ordinary	67.9%
Elite Daily Inc	USA	Ordinary	100%
Energy Fundamentals GmbH	Switzerland	Ordinary	100%
Energytics Inc	USA	Common	100%
Ensura Ltd	UK	Ordinary	100%
Enva Power Inc	USA	Common	100%
Environmental Data Resources Inc	USA	Common	100%
Epropretydata.com LLC	USA	Membership interests	70.0%
Estate Technical Solutions Ltd	UK	Ordinary	100%
Euromoney (Singapore) Pte Ltd	Singapore	Ordinary	67.9%
Euromoney Canada Ltd	UK	Ordinary	67.9%
Euromoney Charles Ltd	UK	Ordinary	67.9%
Euromoney ESOP Trustee Ltd	UK	Ordinary	67.9%
Euromoney Global Ltd	UK	Ordinary	67.9%
Euromoney Guarantee Ltd	UK	Ordinary Limited by Guarantee	67.9%
Euromoney Holdings US Inc	USA	Ordinary	67.9%
Euromoney Institutional Investor (Jersey) Ltd (iii)	Jersey	Ordinary	67.9%
Euromoney Jersey Ltd (ii)	Jersey	Ordinary	67.9%
Euromoney Luxembourg Sarl	Luxembourg	Ordinary	67.9%
Euromoney Polska SP Zoo	Poland	Ordinary	67.9%
Euromoney Publications (Jersey) Ltd	UK	Ordinary	67.9%
Euromoney Trading Ltd	UK	Ordinary	67.9%
Euromoney Training Inc	USA	Ordinary	67.9%
Eve 3 Ltd* (ii)	UK	Ordinary	100% (26.0%)
Eve 4 Ltd*	UK	Ordinary	100% (100%)
EX ERH Ltd	UK	Ordinary	100%
EX TTH Ltd	UK	Ordinary	100%
EXBH Ltd	UK	Ordinary	100%
Excido Pty Ltd	Australia	Ordinary	100%
EXJSWW Ltd	UK	Ordinary	100%
EXJT Ltd	UK	Ordinary	100%
Express & Echo News & Media Ltd	UK	Ordinary	100%

47 Full list of Group undertakings continued

Subsidiary name	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
Family Office Network Ltd	UK	Ordinary	67.9%
Fantfoot Ltd	UK	Ordinary	67.9%
First Search Mid West LLC	USA	Ordinary A	100%
First Search Technology Corporation	USA	Ordinary A, Ordinary	100%
Genscape Asia Inc	Belgium	Common	100%
Genscape Belgium SA	Spain	Ordinary	100%
Genscape Czech Republic sro	Czech Republic	Ordinary	100%
Genscape France (branch)	France	Ordinary	100%
Genscape Germany GmbH	Germany	Ordinary	100%
Genscape Iberia SL	Spain	Ordinary	100%
Genscape Inc	USA	Common	100%
Genscape Intangible Holding Inc	USA	Common	100%
Genscape International Inc	USA	Common	100%
Genscape Italy (branch)	Italy	Ordinary	100%
Genscape Natural Gas Inc	USA	Common	100%
Genscape Netherlands (branch)	Netherlands	Ordinary	100%
Genscape Poland SA	Poland	Ordinary	100%
Genscape Slovakia (branch)	Slovakia	Ordinary	100%
Genscape UK Ltd	UK	Ordinary	100%
GGA Pte Ltd	Singapore	Ordinary	67.9%
Glenprint Ltd	UK	Ordinary	67.9%
Global Commodities Group Sarl	Switzerland	Ordinary	67.9%
Gloucestershire Media Ltd	UK	Ordinary	100%
Grimsby & Scunthorpe Media Group Ltd	UK	Ordinary	100%
GSCS Benchmarks Ltd	UK	Ordinary	67.9%
GSquared LLC	USA	Membership interests	59.0%
Gulf Publishing Company	USA	Ordinary	67.9%
Harmsworth Printing (Didcot) Ltd	UK	Ordinary	100%
Harmsworth Printing (Stoke) Ltd	UK	Ordinary	100%
Harmsworth Printing Ltd	UK	Ordinary	100%
Harmsworth Quays Printing Ltd	UK	Ordinary	100%
Harmsworth Royalties Ltd	UK	Ordinary	100%
Hedgefund Intelligence Ltd	UK	Ordinary	67.9%
Hobsons Asia SDN BHD	Malaysia	Ordinary	100%
Hobsons Australia Pty Ltd	Australia	Ordinary	100%
Hobsons PLC	UK	Ordinary	100%
Hobsons Inc	USA	Common	100%
Home Information Packs Ltd	UK	Ordinary	100%
Inframation GmbH	Germany	Ordinary, Preference	100%
Insider Publishing Ltd	UK	Ordinary	67.9%
Institutional Investor LLC	USA	Ordinary	67.9%
Institutional Investor Networks UK Ltd	UK	Ordinary	67.9%
Internet Data Services (I) Pvt Ltd	India	Ordinary	67.9%
Internet Securites Hong Kong Ltd	Hong Kong	Ordinary	67.9%
Internet Securities (BVI) Ltd	Colombia	Ordinary	67.9%
Internet Securities Argentina SA	Argentina	Ordinary	67.9%
Internet Securities Brazil Ltda	Brazil	Ordinary	67.9%
Internet Securities Bulgaria EOOD	Bulgaria	Ordinary	67.9%
Internet Securities de Chile Ltda	Chile	Ordinary	67.9%
Internet Securities de Mexico SDeRLdeCV	Mexico	Ordinary	67.9%
Internet Securities Egypt Ltd	Egypt	Ordinary	67.9%
Internet Securities Inc	USA	Ordinary	67.9%
Internet Securities Istanbul Bilgo Merkezi LD STI	Turkey	Ordinary	67.9%
Internet Securities Ltd	UK	Ordinary	67.9%
Internet Securities Magyarorszag Kft	Hungary	Ordinary	67.9%
Internet Securities Shanghai Ltd	China	Ordinary	67.9%
Ireland on Sunday Ltd	Ireland	Ordinary	100%
ISI Emerging Markets South Africa (Pty) Ltd	South Africa	Ordinary	67.9%

Subsidiary name	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
Justice for Sgt Blackman Ltd	UK	Company Limited by Guarantee	100%
Karnes Research Company LLC	USA	Membership interests	70.0%
Kensington Finance Ltd	UK	Ordinary	100%
Kensington US Holdings Ltd	UK	Ordinary	100%
KWG Inc	USA	Common	56.4%
Landmark Analytics Ltd	UK	Ordinary	100%
Landmark FAS Ltd	UK	Ordinary	100%
Landmark Information Group Ltd	UK	Ordinary, Ordinary A, Redeemable Preference	100%
Landmark International Holdings Ltd	UK	Ordinary	100%
Latin American Financial Publications Inc	USA	Ordinary	67.9%
Lawlink (UK) Ltd	UK	Ordinary	100%
Lawlink Ltd	UK	Ordinary	100%
Lee & Co (Belfast) Ltd	UK	Ordinary	100%
Leicester Mercury Media Group Ltd	UK	Ordinary	100%
Locus Energy Inc	USA	Common	100%
Mail Life Financial Services Ltd	UK	Ordinary	100%
Mail Media Inc	USA	Ordinary	100%
Metal Bulletin Holdings LLC	USA	Ordinary	67.9%
Microdot LLC	USA	Ordinary A	100%
Millar & Bryce Ltd	UK	Ordinary	100%
Mistview Holdings Ltd	UK	Ordinary	100%
Naviance Inc	USA	Common	100%
Northcliffe Media Holdings Ltd	UK	Ordinary	100%
Northcliffe Media Ltd	UK	Ordinary	100%
Northcliffe Trustees Ltd	UK	Ordinary A, Ordinary B	100%
Northprint Manchester Ltd	UK	Ordinary	50.0%
Petrotranz Inc	Canada	Ordinary	100%
Petrotranz Holdings Inc	Canada	Ordinary	100%
Pipeline & Energy Expo LLC	USA	Common	50.4%
Property Search Agency Ltd	UK	Ordinary	100%
Propertyflow Ltd	UK	Ordinary	100%
Quest End Computer Services Ltd	UK	Ordinary	100%
Ralph US Holdings	UK	Ordinary	100%
Real Data Insights LLC	USA	Ordinary	56.4%
Redquince Ltd	UK	Ordinary	67.9%
Reflex Publishing ME FZ LLC	Dubai	Ordinary	100%
Rental Systems.com Ltd	UK	Ordinary, Preference	100%
Richards Gray Holdings Ltd	UK	Ordinary	100%
Richards Gray Ltd	UK	Ordinary	100%
Risk Management Solutions (Bermuda) Ltd	Bermuda	Ordinary	98.0%
Risk Management Solutions Ltd (China)	China	Common	98.0%
Risk Management Solutions Inc	USA	Common	98.0%
RMS Japan KK	Japan	Ordinary	98.0%
RMS Risk Management Solutions India Pte Ltd	India	Ordinary voting	100%
RMS Technologies Ltd	UK	Ordinary	100%
RMS Worldwide Inc	USA	Common	98.0%
Rochford Brady Legal Services Ltd	Ireland	Ordinary	100%
Rochford Brady Online Services Ltd	UK	Ordinary	100%
SearchFlow Ltd	UK	Ordinary	100%
Siatka Ltd	UK	Ordinary A, Ordinary B	100%
SiteCompli LLC	USA	Ordinary	56.4%
Sitescope Ltd	UK	Ordinary	100%
Softec Immobilicense Software GmbH	Germany	Ordinary	100%
South West Media Group Ltd	UK	Ordinary	100%
South West Wales Media Ltd	UK	Ordinary	100%
Starfish Retention Solutions Inc	USA	Common	100%
Steel First Ltd	UK	Ordinary	67.9%
Stennent Website Plc	Ireland	Ordinary A	71.0%

NOTES TO THE ACCOUNTS
CONTINUED

47 Full list of Group undertakings continued

Subsidiary name	Country of incorporation or registration	Classes of shares held	% shareholding (% held directly by parent)
Storas Holdings Pte Ltd	Singapore	Ordinary	67.9%
The Conveyancing Channel Ltd	UK	Ordinary	100%
The Coveyancing Report Agency Ltd	UK	Ordinary	100%
The Mail on Sunday Ltd	UK	Ordinary	100%
The PSA Group Ltd	UK	Ordinary	100%
The Sanborn Library LLC	USA	Membership interests	100%
The Western Gazette Co Ltd	UK	Ordinary	100%
Tipall Ltd	UK	Ordinary	67.9%
Title Media (IOS) Ltd	Ireland	Ordinary	100%
Title Media Ltd	Ireland	Ordinary, Ordinary A, Ordinary B, Ordinary C, Ordinary D, Ordinary E, Ordinary F	100%
Trepp Holdings Inc	USA	Common	100%
Trepp LLC	USA	Membership interests	100%
Trepp Ltd	UK	Ordinary	100%
Trepp Port LLC	USA	Ordinary	51.0%
TTI Technologies LLC	USA	Ordinary	67.9%
Vesseltracker.com GmbH	Germany	Ordinary	100%
Watervale Ltd	UK	Ordinary	100%
Young Street Holdings Ltd	UK	Ordinary	100%
Web2 d.o.o.	Serbia	Ordinary	51.0%
Fortress Digital, LLC	USA	Ordinary	56.4%
Euromoney Institutional Investor PLC	UK	Ordinary	67.9%
Xceligent Inc	USA	Common, Series A Preferred	70.0%
Centre For Investor Education (UK) Ltd	UK	Ordinary	50.9%
Ned Davis Research Inc	USA	Ordinary	57.4%
On-Geo GmbH	Germany	Ordinary	89.9%
BuildFax Inc	USA	Common, Series A, Series B, Series C, Series D, Series E, Series G, Class B Preference	90.0%
Wowcher Ltd	UK	Ordinary, Ordinary A, Ordinary B, Ordinary C	96.1%
Risk Management Solutions Ltd	UK	Ordinary	98.0%
Genscape, Inc	USA	Common	99.9%

All subsidiaries are included in the consolidated financial statements of the Group.

* Direct investment held by the parent Company Daily Mail and General Trust plc (DMGT). All other subsidiaries are held indirectly through subsidiaries of DMGT.

(i) Principal place of business in the UAE.

(ii) Principal place of business in the UK.

(iii) Principal place of business in Hong Kong.

Joint venture name	Address of principal place of business	% capital included in consolidation	Financial year end
Artrix Ltd	Unit 2, 14 Weller Street, London, SE1 1QU	50.0%	30 September 2015
	137, N. Larchmont Blvd, #705, Los Angeles, California, 90004, USA	50.0%	31 December 2014
Dailymail.com Australia Pty Ltd	Level 6, 264 George Street, Sydney, NSW 2000, Australia	50.0%	30 June 2015
Decision First Ltd	Cardinal House, 9 Manor Road, Leeds, West Yorkshire LS11 9AH	50.0%	31 December 2014
Hypoport On-Geo GmbH	Klosterstrasse 71, 10179 Berlin, Germany	50.0%	31 December 2014
Instant Service GmbH	Peterstrasse 1, 99084 Erfurt, Germany	49.9%	31 December 2014
Institutional Investor Zanbato Ltd	8 Bouverie Street, London EC4Y 8AX	50.0%	30 September 2015
Mail Today Newspapers Pte Ltd	F-26, Connaught Place, New Delhi – 110 001, India	26.0%	30 September 2015
Point X Ltd	7 Abbey Court, Eagle Way, Sowton Industrial Estate, Exeter EX2 7HY	50.0%	31 March 2015
Sanborn Colorado Government LLC	1935 Jamboree Drive, Colorado Springs, CO 80920, USA	49.0%	31 December 2014
Sanostro Institutional AG	Allmendstrasse 140, 8041 Zurich	50.0%	30 September 2015
The Sanborn Map Company Inc	1935 Jamboree Drive, Colorado Springs, CO 80920, USA	49.0%	31 December 2014
This is Essex Ltd	Loudwater Mill, Station Road, High Wycombe, HP10 PTY	50.0%	30 September 2015

The Group has joint control over all of the joint ventures listed above, because key operating decisions require the unanimous consent of the Group and the other investor(s).

Associate name	Country of incorporation or registration	Classes of shares held	% shareholding
Clipper Data LLC	USA	Ordinary	5.0%
Diamond Topco Ltd	UK	Ordinary	10.5%
Eatfirst UK Ltd	UK	Ordinary	25.0%
Emcliffe Ltd	UK	Ordinary	50.0%
Fortunegreen Ltd	Ireland	Ordinary	33.3%
Funcent DMG Information Technology Hong Kong Company Ltd	Hong Kong	Ordinary	12.1%
Global Events Partners Ltd	UK	Ordinary	15.0%
Hold The Front Page.co.uk Ltd	UK	Ordinary	25.0%
Independent Television News Ltd	UK	Ordinary	20.0%
iProf Learning Solutions India Pte Ltd	India	Ordinary	10.0%
Liases Foras Real Estate Rating and Research Private Ltd	India	Equity Shares, Series A Compulsory Cumulative Convertible Preference Shares	100%
Local World Holdings Ltd	UK	Ordinary	38.7%
Local World Ltd	UK	Ordinary B	38.7%
Mercatus Inc	USA	Ordinary	19.0%
North Cornwall Post & Diary Ltd	UK	Ordinary	25.0%
Ochresoft Technologies Ltd	UK	Deferred, Ordinary, Ordinary A, Preference	30.0%
OYO RMS Inc	Japan	Ordinary	19.6%
Praedicat Inc	USA	Preference	29.6%
Real Capital Analytics Inc	USA	Common, Preference	39.7%
Skymet Weather Services Private Ltd	India	Ordinary	20.8%
Social Metrix SA	Argentina	Ordinary	34.7%
Spaceways Storage Services UK Ltd	UK	Ordinary	25.0%
The Petrochemical Standard (Singapore) Pte Ltd	Singapore	Ordinary	45.0%
The Petrochemical Standard Inc	USA	Ordinary	45.0%
Truffle Pig LLC	USA	Common Units	45.0%
WellAware Holdings Inc	UK	Preference	8.1%
Wellington Weekly News Ltd	UK	Ordinary	20.0%
World Bulk Wine Exhibition S.L	Spain	Ordinary	40.0%
Zipjet Ltd	UK	Ordinary	25.0%
Zoopla Property Group Plc	UK	Ordinary	31.3%

47 Full list of Group undertakings continued

Investment name	Country of incorporation or registration	Classes of shares held	% shareholding
ES London Ltd	UK	Ordinary	30.0%
Evening Standard Ltd	UK	Ordinary, Ordinary Non-Voting	24.9%
KCI/Sanborn Joint Venture Partnership LLC	USA	Membership interests	23.0%
Shanghai Maili Marine Technology Co Ltd	China	Registered Capital	20.0%

FIVE-YEAR FINANCIAL SUMMARY

Consolidated Income Statement

	2011 Audited 52 weeks ended 30 September 2011 £m	2012 Audited 52 weeks ended 30 September 2012 £m	2013 Audited 52 weeks ended 30 September 2013 £m	2014 Audited year ended 30 September 2014 £m	2015 Audited year ended 30 September 2015 £m
Revenue	1,709.0	1,688.0	1,674.2	1,811.2	**1,842.7**
Adjusted operating profit	259.2	263.0	280.3	296.2	**287.0**
Exceptional operating costs, impairment of internally generated and acquired computer software, property, plant and equipment and investment property and amortisation and impairment of acquired intangible assets arising on business combinations and impairment of goodwill	(91.4)	(127.4)	(66.8)	(112.2)	**(80.2)**
Operating profit before share of results from joint ventures and associates	167.8	135.6	213.5	184.0	**206.8**
Share of results of joint ventures and associates	(2.7)	(1.8)	5.3	14.3	**11.3**
Total operating profit	165.1	133.8	218.8	198.3	**218.1**
Other gains and losses	13.1	114.4	27.6	138.9	**82.4**
Profit before investment revenue, net finance costs and tax	178.2	248.2	246.4	337.2	**300.5**
Investment revenue	4.8	2.3	3.1	10.1	**4.0**
Net finance costs	(84.5)	(79.1)	(71.0)	(80.3)	**(88.4)**
Profit before tax	98.5	171.4	178.5	267.0	**216.1**
Tax	10.9	26.1	(34.2)	(18.3)	**(20.8)**
Profit for the year after tax	109.4	197.5	144.3	248.7	**195.3**
Discontinued operations	(4.4)	59.8	43.7	34.3	**50.0**
Equity interests of minority shareholders	(15.9)	(22.7)	(23.4)	(20.1)	**(28.7)**
Profit for the year	89.1	234.6	164.6	262.9	**216.6**
Adjusted profit before tax and non-controlling interests	219.8	246.9	266.6	291.1	**280.5**
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	355.1	378.3	374.4	391.1	**376.8**
Adjusted profit after taxation and non-controlling interests	166.8	181.5	188.2	207.4	**215.5**
Earnings per share					
Number of shares for basic	382.8	382.8	377.5	372.4	**360.8**
Number of shares for diluted	387.8	393.7	386.8	378.2	**366.5**
Profit effect of dilutive shares	(1.0)	(0.6)	(0.3)	(0.7)	**(0.3)**
From continuing operations					
Basic	24.4p	45.7p	32.1p	61.4p	**46.2p**
Diluted	23.9p	44.2p	31.2p	60.2p	**45.4p**
From discontinued operations					
Basic	(1.2)p	15.6p	11.5p	9.2p	**13.9p**
Diluted	(1.1)p	15.2p	11.3p	9.1p	**13.6p**
From continuing and discontinued operations					
Basic	23.2p	61.3p	43.6p	70.6p	**60.1p**
Diluted	22.8p	59.4p	42.5p	69.3p	**59.0p**
Adjusted earnings per share					
Basic	43.6p	47.4p	49.9p	55.7p	**59.7p**
Diluted	42.8p	45.9p	48.5p	54.6p	**58.7p**

FIVE YEAR FINANCIAL SUMMARY
CONTINUED

Consolidated Cash Flow Statement

	2011 £m	2012 £m	2013 £m	2014 £m	2015 £m
Net cash inflow from operating activities	318.6	254.0	347.2	218.4	**259.7**
Investing activities	(33.5)	(12.1)	(87.7)	26.0	**(44.2)**
Financing activities	(177.7)	(304.7)	(277.5)	(302.7)	**(212.2)**
Net increase/(decrease) in cash and cash equivalents	107.4	(62.8)	(18.0)	(58.3)	**3.3**
Cash and cash equivalents at beginning of year	64.3	171.7	107.3	88.5	**29.0**
Exchange loss on cash and cash equivalents	–	(1.6)	(0.8)	(1.2)	**(0.8)**
Cash and cash equivalents at end of year	171.7	107.3	88.5	29.0	**31.5**
Net increase/(decrease) in cash and cash equivalents	107.4	(62.8)	(18.0)	(58.3)	**3.3**
Cash (outflow)/inflow from change in debt and finance leases	1.9	126.2	17.8	31.3	**(86.9)**
Change in net debt from cash flows	109.3	63.4	(0.2)	(27.0)	**(83.6)**
Loan notes issued and loans arising from acquisitions	–	–	–	(3.0)	**–**
Other non-cash items	33.1	43.2	40.2	0.2	**(15.1)**
(Increase)/decrease in net debt in the year	142.4	106.6	40.0	(29.8)	**(98.7)**
Net debt at beginning of year	(862.0)	(719.6)	(613.0)	(573.0)	**(602.8)**
Net debt at end of year	(719.6)	(613.0)	(573.0)	(602.8)	**(701.5)**

Consolidated Statement of Financial Position

	2011 £m	2012 £m	2013 £m	2014 £m	2015 £m
Goodwill and intangible assets	1,034.8	968.5	1,056.8	1,125.3	**1,332.6**
Tangible assets	327.0	244.9	214.0	202.0	**181.1**
Fixed asset investments	33.5	150.3	188.3	145.9	**157.0**
Other non-current assets	239.9	243.9	203.3	213.6	**230.7**
Fixed assets	1,635.2	1,607.6	1,662.4	1,686.8	**1,901.4**
Net current liabilities	(238.7)	(268.0)	(338.9)	(511.1)	**(363.2)**
Long-term liabilities	(1,289.0)	(1,087.9)	(986.8)	(785.1)	**(1,078.4)**
Net assets	107.5	251.7	336.7	390.6	**459.8**
Shareholders' equity					
Called-up share capital	49.1	49.1	49.2	49.2	**45.4**
Share premium account	12.7	13.5	16.3	17.8	**17.8**
Revaluation reserve	3.3	–	–	–	**–**
Other reserves	(87.7)	(75.3)	(152.5)	(240.7)	**(97.3)**
Minority interests	80.3	95.3	113.6	117.8	**154.9**
Retained earnings	49.8	169.1	310.1	446.5	**339.0**
Total equity	107.5	251.7	336.7	390.6	**459.8**

Shareholder information

	2011	2012	2013	2014	2015
Dividend per share*	17.00p	18.00p	19.20p	20.40p	**21.40p**
Price of A Ordinary Non-Voting Shares:					
Lowest	£3.47	£3.48	£4.51	£6.99	**£6.99**
Highest	£5.95	£4.97	£8.35	£10.74	**£9.90**

* Represents the dividends declared by the Directors in respect of the above years.

FINANCIAL STATEMENTS

COMPANY BALANCE SHEET

At 30 September 2015

	Note	At 30 September 2015 £m	At 30 September 2014 £m
FIXED ASSETS			
Investment in subsidiaries	4	**2,643.2**	2,825.9
Other investments	5	**1.8**	0.3
		2,645.0	2,826.2
NON-CURRENT ASSETS			
Debtors – amounts falling due after more than one year	6	**452.9**	18.7
CURRENT ASSETS			
Debtors – amounts falling due within one year	6	**132.8**	308.7
Cash at bank and in hand	7	**0.1**	6.5
Deferred tax	11	**6.8**	5.3
CREDITORS			
Amounts falling due within one year	8	**(283.2)**	(745.7)
Net current liabilities		**(143.5)**	(425.2)
Total assets less current liabilities		**2,954.4**	2,419.7
CREDITORS			
Amounts falling due after more than one year	9	**(759.2)**	(489.0)
Provisions for liabilities	10	**(0.5)**	(20.5)
NET ASSETS		**2,194.7**	1,910.2
CAPITAL AND RESERVES			
Called-up share capital		**45.4**	49.2
Share premium account	12	**17.8**	17.8
Own shares	12	**(61.6)**	(204.4)
Capital redemption reserve	13	**5.1**	1.1
Profit and loss account	14	**2,188.0**	2,046.5
EQUITY SHAREHOLDERS' FUNDS		**2,194.7**	1,910.2

The accounts on pages 187 to 194 were approved by the Directors and authorised for issue on 8 December 2015. They were signed on their behalf by:

The Viscount Rothermere
M W H Morgan
Directors

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 £430.6 million (2014 £194.3 million).

Impact of amendments to accounting standards

In the current year certain minor amendments to UK financial reporting standards were issued by the UK Accounting Standards Board. The adoption of these amendments has not had any impact on the Company's accounting policies.

2 Significant accounting policies

Foreign exchange

Transactions in currencies other than the Company's reporting currency are recorded at the exchange rate prevailing on the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit and loss account for the year.

Investments

Investments are stated at cost, less any provision for impairment, where appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax is not discounted.

Financial instruments disclosures

Financial assets

Trade debtors

Trade debtors do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, short-term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade creditors

Trade creditors are non-interest bearing and are stated at their nominal value.

Capital market and bank borrowings

Interest bearing loans and overdrafts are initially measured at fair value (which is equal to net proceeds at inception), and are subsequently measured at amortised cost, using the effective interest rate method. A portion of the Company's bonds are subject to fair value hedge accounting and this portion of the carrying value is adjusted for the movement in the hedged risk to the extent hedge effectiveness is achieved. Any difference between the proceeds, net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowing.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to settle on a net basis, or realise the asset and liability simultaneously.

Derivative financial instruments and hedge accounting
The Company's activities expose it to the financial risks of changes in foreign exchange rates and interest rates. The Company uses various derivative financial instruments to manage its exposure to these risks.

The use of financial derivatives is set out in Note 34 of the Group's Annual Report. The Company does not use derivative financial instruments for speculative purposes.

The Company does not apply hedge accounting except for fair value hedges. Gains and losses arising on derivatives that form part of net investment hedge or cash flow hedge relationships in the consolidated financial statements are recorded in the profit and loss account in the Company.

Financial instruments – disclosures
The Company has taken advantage of the exemption provided in FRS 29, Financial Instruments : Disclosures which states that disclosure in respect of financial instruments is not required in parent company financial statements where such disclosures are included in publicly available consolidated financial statements.

Cash flow statement
The Company has utilised the exemptions provided under FRS 1 (Revised), Cash Flow Statements and has not presented a cash flow statement. A consolidated cash flow statement has been presented in the Group's Annual Report.

Related party transactions
The Company has taken advantage of the exemptions of FRS 8 which states that disclosure of related party transactions is not required in the parent company financial statements when those statements are presented together with its consolidated financial statements.

Share-based payments
The Company operates the Group's LTIP and other Group share-based payment schemes, details of which can be found in Note 42 of the Group's Annual Report.

Retirement benefits
The Company contributes to defined benefit and defined contribution pension schemes on behalf of its employees. These are managed on a Group basis and so the Company is unable to identify its share of the underlying assets and liabilities in the defined benefit scheme in which it participates on a consistent and reasonable basis. The scheme is operated on an aggregate basis with no segregation of the assets to individual participating employers and, therefore, the same contribution rate is charged to all participating employers; the contribution rate charged to each employer being affected by the experience of the scheme as a whole. The scheme is therefore accounted for as a defined contribution scheme by the Company. This means that the pension charge reported in these financial statements is the same as the cash contributions due in the period.

Details of the financial position and key valuation assumptions of these schemes can be found in Note 35 of the Group's Annual Report.

3 Employees

	2015 Number	2014 Number
Average number of persons employed by the Company including Directors:	**18**	19

	2015 £m	2014 £m
Total staff costs comprised:		
Wages and salaries	**8.5**	9.7
Share-based payments	**2.2**	1.5
Social security costs	**2.2**	1.6
Pension costs	**0.1**	0.1
	13.0	12.9

The remuneration of the Directors of the Company during the year are disclosed in the Remuneration Report of the Group's Annual Report.

4 Investments in subsidiaries (listed on pages 177 to 182)

	Cost £m	Impairment £m	Net book value £m
At 30 September 2014	2,825.9	–	2,825.9
Additions	1.3	–	1.3
Charged in the year	–	(184.0)	(184.0)
At 30 September 2015	**2,827.2**	**(184.0)**	**2,643.2**

The charge for the year relates to Eve 3 Limited, a non-trading subsidiary and arose following payment of a dividend which took the form of an intercompany receivable.

5 Other Investments

	Cost and Net book value £m
At 30 September 2014	0.3
Additions	1.5
At 30 September 2015	**1.8**

6 Debtors

	2015 £m	2014 £m
Amounts falling due after more than one year		
Amounts owed by Group undertakings	**434.3**	–
Derivative financial assets	**18.6**	18.7
	452.9	18.7

Included within amounts owed by Group undertakings is an amount owed by a subsidiary company, DMG Charles Limited, totalling £284.3 million. The principal loan amount of £270.0 million bears interest of 5.3% p.a. and is repayable on 30 September 2022.

Also included within this balance is an amount owed by a subsidiary company, Northcliffe Media Holdings Limited, of £150.0 million. This loan bears interest of 6.3% p.a. and is repayable on 30 September 2018.

	2015 £m	2014 £m
Amounts falling due within one year		
Amounts owed by Group undertakings	**102.3**	283.4
Prepayments and accrued income	**8.0**	–
Other debtors	**3.6**	4.3
Corporation tax	**18.9**	21.0
	132.8	308.7

The Company's corporation tax debtor represents amounts due from subsidiaries for Group relief.

7 Cash at bank and in hand

	2015 £m	2014 £m
Cash at bank and in hand	**0.1**	6.5

8 Creditors – amounts falling due within one year

	Note	2015 £m	2014 £m
5.75% Bonds 2018		–	55.1
10.00% Bonds 2021		–	98.1
Bank overdrafts		**2.7**	1.7
Interest payable		**14.2**	21.7
Amounts owing to Group undertakings	(i)	**259.1**	555.2
Accruals and deferred income		**7.1**	12.2
Other creditors		**0.1**	1.7
		283.2	745.7

(i) Amounts owing to Group undertakings are repayable on demand and bear interest of UK bank base rate plus 0.5%.

9 Creditors – amounts falling due after more than one year

	2015 £m	2014 £m
5.75% Bonds 2018	**211.7**	209.3
10.00% Bonds 2021	**10.3**	10.3
6.375% Bonds 2027	**198.2**	196.0
Bank loans	**306.7**	59.9
Amounts owing to Group undertakings	**9.2**	–
Derivative financial liabilities	**23.1**	13.5
	759.2	489.0

The nominal values of the bonds are as follows:

	2015 £m	2014 £m
5.75% Bonds 2018	**218.5**	275.0
10.00% Bonds 2021	**7.2**	100.0
6.375% Bonds 2027	**200.0**	200.0
	425.7	575.0

The Company's bonds have been adjusted from their nominal values to take account of the premia, direct issue costs, discounts and movements in hedged risks. The issue costs, premia and discounts are being amortised over the expected lives of the bonds using the effective interest method. The unamortised issue costs amount to £1.5 million (2014 £2.3 million) and the unamortised premia amounts to £9.3 million (2014 £7.1 million).

Details of the fair value of the Company's bonds are set out in Note 33 of the Group's Annual Report.

The bonds are subject to fair value hedging using derivatives as set out in Note 34 of the Group's Annual Report. Consequently, their carrying value is also adjusted to take into account the effects of this hedging activity.

The book value of the Company's other borrowings equates to fair value.

The interest rate charged on the Company's bank loans during the year ranged as follows:

	2015 High	2015 Low	2014 High	2014 Low
Sterling	**2.26%**	**1.38%**	2.33%	1.40%
US dollar	**2.02%**	**0.87%**	1.97%	1.04%

9 Creditors – amounts falling due after more than one year continued

The maturity profile of the Company's borrowings is as follows:

	Overdrafts £m	Bank loans £m	Bonds £m	Total £m
2015				
Within one year	**2.7**	**–**	**–**	**2.7**
Between two and five years	**–**	**306.7**	**211.7**	**518.4**
Over five years	**–**	**–**	**208.5**	**208.5**
	–	**306.7**	**420.2**	**726.9**
	2.7	**306.7**	**420.2**	**729.6**
2014				
Within one year	1.7	–	153.2	154.9
Between two and five years	–	59.9	209.3	269.2
Over five years	–	–	206.3	206.3
	–	59.9	415.6	475.5
	1.7	59.9	568.8	630.4

10 Provisions for liabilities

	Note	2015 £m	2014 £m
Other provisions		**0.5**	20.5
		0.5	20.5
Movements on other provisions were as follows:			
At 30 September 2014		**20.5**	0.5
Additions	(i)	**–**	20.0
Utilised during year	(i)	**(20.0)**	–
At 30 September 2015		**0.5**	20.5

(i) In the prior year, the Company announced that it had commenced, through Numis Securities Limited, an irrevocable, non-discretionary programme to purchase shares on its own behalf, to be held in treasury, during its close period which commenced on 1 October 2014 and ended on 26 November 2014 with the release of the Company's preliminary results. The maximum value of this close period buy-back programme was set at £20.0 million.

11 Deferred tax

	2015 £m	2014 £m
Other timing differences	**6.8**	5.3

Movements on the deferred tax asset were as follows:

	2015 £m	2014 £m
At start of year	**5.3**	5.1
Share-based payments	**(0.3)**	0.1
Tax credit for the year	**1.8**	0.1
At end of year	**6.8**	5.3

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 Capital and Reserves

Share premium account

	2015 £m	2014 £m
At start of year	**17.8**	16.2
Issue of shares	**–**	1.6
At end of year	**17.8**	17.8

Own shares

	Note	2015 £m	2014 £m
At start of year		**(204.4)**	(116.5)
Additions		**(127.1)**	(91.3)
Own shares released on vesting of share options		**32.7**	23.4
Movement in financial liability for closed period purchases	10 (i)	**20.0**	(20.0)
Own shares cancelled		**217.2**	–
At end of year		**(61.6)**	(204.4)

The Company's investment in its own shares are shares held in treasury or shares held by an employee benefit trust to satisfy incentive schemes. At 30 September 2015, this investment comprised the cost of 5,000,000 A Ordinary Non-Voting Shares (2014 25,082,829) held in treasury and 2,690,766 A Ordinary Non-Voting Shares (2014 2,196,080) held in the employee benefit trust. The market value of the Treasury Shares at 30 September 2015 was £37.7 million (2014 £192.1 million) and the market value of the shares held in the employee benefit trust at 30 September 2015 was £20.3 million (2014 £16.8 million).

The employee benefit trust is independently managed and has purchased shares in order to satisfy outstanding share options and potential awards under the long-term incentive plan.

The Treasury Shares are considered to be a realised loss for the purposes of calculating distributable reserves.

13 Capital redemption reserve

	£m
At start of year	1.1
On cancellation of ordinary shares	4.0
At end of year	**5.1**

14 Profit and loss account

	£m
At start of year	2,046.5
Net profit for the year	430.6
Dividends paid	(75.1)
On cancellation of A Ordinary Non-Voting Shares	(217.2)
Other movements on share option schemes	3.2
At end of year	**2,188.0**

Total reserves – 2014	1,861.0
Total reserves – 2015	**2,149.3**

The Directors estimate that £1,422.0 million of the Company's profit and loss account reserve is not distributable (2014 £1,422.0 million).

15 Contingent liabilities

At 30 September 2015 the Company had guaranteed subsidiaries' outstanding derivatives which had a mark to market liability valuation of £4.7 million (2014 £1.4 million) and letters of credit with a principal value of £2.2 million (2014 £1.8 million). The Company is the guarantor of a loan note amounting to £150.0 million (2014 £150.0 million) in respect of the contingent asset partnership referred to in Note 35 of the Group's Annual Report.

16 Ultimate holding company

The Company's immediate parent Company is Rothermere Continuation Limited (RCL), a company incorporated in Bermuda.

Ultimate controlling party

RCL is a holding company incorporated in Bermuda. The main asset of RCL is its 100% holding of DMGT Ordinary Shares. RCL has controlled the Company for many years and as such is its immediate parent Company. RCL is owned by a trust (the Trust) which is held for the benefit of Viscount Rothermere and his immediate family. The Trust represents the ultimate controlling party of the Company. Both RCL and the Trust are administered in Jersey, in the Channel Islands.

17 Post balance sheet events

Details of the Company's post balance sheet events can be found within Note 45 of the Group's Annual Report.

SHAREHOLDER INFORMATION

Company Secretary and Registered Office

Claire Chapman
Northcliffe House
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E-mail: enquiries@dmgt.com
England Registered Number: 184594

Website

The Group has a website (www.dmgt.com) which gives information on the Company and its operating subsidiaries and provides details of significant Group announcements.

Financial calendar 2016

10 February	Trading update
10 February	Annual General Meeting
12 February	Payment of final dividend
31 March	Payment of interest on loan notes
31 March	Half year end
26 May	Half yearly financial report released
9 June	Interim ex-dividend date
10 June	Interim record date
2 July	Payment of interim dividend
27 July	Trading update
29 September	Full-year pre-close trading update
30 September	Year end
30 September	Payment of interest on loan notes
1 December	Preliminary announcement of annual results
8 December	Ex-dividend date
9 December	Record date

Capital gains tax

The market value of both the Ordinary and A Ordinary Non-Voting Shares (A Shares) in the Company on 31 March 1982 (adjusted for the 1994 bonus issue of A Shares and for the four-for-one share split in 2000) was 9.75 pence.

Registrars

All enquiries regarding shareholdings, dividends, lost share certificates, loan notes in the Company and in Daily Mail and General Investments plc or changes of address should be directed to Equiniti, the Company's Registrars, at the address set out on the following page.

Electronic communications

Equiniti operates Shareview, a free online service which enables shareholders to check their shareholdings and other related information and to register to receive notification by email of the release of the Annual Report. It also offers practical help on matters such as transferring shares or updating contact details. Shareholders may register for the service at www.shareview.co.uk. This Report is available electronically on the Company's website which contains a link to Shareview to enable shareholders to register for electronic mailings. Notification by email has been given of the availability of this Annual Report on the Company's website to those shareholders who have registered.

Low-cost share dealing service

Equiniti provides a simple low-cost dealing service for the Company's A Shares, details of which are available at www.shareview.co.uk/dealing or by calling 03456 037 037. Details of this and other low-cost dealing services can be found on the Company's website at www.dmgt.com.

Share price information

The current price of the Company's A Shares can be found on the home page of the Company's website at www.dmgt.com.

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 Trustee Company Limited, Winchester House, 1 Great Winchester St, London EC2N 2DB. The principal paying agent for the Company's 5.75% Bonds due 2018 is HSBC Trustee (CI) Limited, HSBC House, Esplanade, Jersey, Channel Islands JE1 1GT. Enquiries should be directed to John Donegan, Group Financial Controller, who can be contacted on +44 (0)20 3615 2917, and whose email address is john.donegan@dmgt.com.

CREST
Shareholders have the choice either of holding their shares in electronic form in an account on the CREST system or in the physical form of share certificates.

Investor relations
Investor relations are the responsibility of Adam Webster. The investor relations email address is investor.relations@dmgt.com.

ShareGift
In the UK, DMGT supports ShareGift, which is administered by the Orr Mackintosh Foundation (registered charity number 1052686) and which operates a charity share donation scheme for shareholders wishing to give small holdings of shares to benefit charitable causes. It may be especially useful for those who wish to dispose of a small parcel of shares which would cost more to sell than they are worth. There are no capital gains tax implications (i.e. no gain or loss) on gifts of shares to charity and it is also possible to obtain income tax relief. If you would like to use ShareGift or receive more information about the scheme, they can be contacted by visiting their website at www.sharegift.org or by writing to ShareGift, 17 Carlton House Terrace, London SW1Y 5AH.

Shareholdings at 30 September 2015
Ordinary Shares

Balance ranges	Total number of holdings	Percentage of holders	Total number of shares	Percentage issued capital
1–1,000	0	0.00%	0	0.00%
1,001–5,000	0	0.00%	0	0.00%
5,001–10,000	0	0.00%	0	0.00%
10,001–20,000	0	0.00%	0	0.00%
20,001–50,000	0	0.00%	0	0.00%
50,001–100,000	0	0.00%	0	0.00%
100,001–500,000	0	0.00%	0	0.00%
500,001 and over	3	100.00%	19,890,364	100.00%
Totals	**3**	**100.00%**	**19,890,364**	**100.00%**

A Shares

Balance ranges	Total number of holdings	Percentage of holders	Total number of shares	Percentage issued capital
1–1,000	932	43.01%	351,504	0.10%
1,001–5,000	571	26.35%	1,440,474	0.42%
5,001–10,000	221	10.20%	1,619,060	0.47%
10,001–20,000	135	6.23%	1,916,741	0.56%
20,001–50,000	86	3.97%	2,652,583	0.77%
50,001–100,000	47	2.17%	3,312,160	0.97%
100,001–500,000	108	4.98%	23,978,795	6.99%
500,001 and over	67	3.09%	307,795,025	89.72%
Totals	**2,167**	**100.00%**	**343,066,342**	**100.00%**

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Corporate brochure and video
Take a look at our corporate brochure and video for more about DMGT and a snapshot of our core strategic messages and key success stories from around our business.
www.dmgt.com

Visit www.dmgt.com to see what is happening across our business and the marketplaces in which we operate.

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