

# REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

The first name in  
political information  
and communication

SATURDAY



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# FINANCIAL HIGHLIGHTS

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Revenue of  
**£19.8m**  
(2013 15 months: £18.8 million)

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Like for like revenue,  
excluding the effect of  
acquisitions, increased by  
**£2.5 million**  
(17%)

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Gross profit margin at  
**29%**  
up from 25%

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Adjusted EBITDA at  
**£1.1 million**  
(2013 15 months: £0.4 million) \*

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Like for like Adjusted  
EBITDA increased by  
**£0.4 million**  
(51%)

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Reported loss before tax  
**£1.5 million**  
(loss £10.6 million in the 15 months  
to 31 March 2013)

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Net cash of  
**£5.3 million**  
at 31 March 2014  
(at 31 March 2013: net cash of £7.0  
million)

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Cash generated from  
operations in the year was  
**£0.4 million**  
investment in technology  
– software and hardware-  
amounted to £1.6 million;  
settlement of deferred con-  
sideration of £0.6 million.

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During the year costs  
associated with consul-  
tancy and people restruc-  
turing costs amounted to  
**£0.5 million**

\* Adjusted EBITDA is calculated as earnings before interest, tax, depreciation, amortisation of intangible assets acquired through business combinations, amortisation of software, share based payments and non-trading items as disclosed in Schedule A.

# CHAIRMAN'S STATEMENT

**AS THIS IS** my first Chairman's statement I would like to record my thanks for the warm welcome I have received from everybody at Dods. I am excited about both the opportunity and the challenge of working with the Board and management team to deliver value to shareholders from the array of businesses within the group.

During the twelve months to 31 March 2014 there has been a combination of both commercial progress, which is in part reflected in the financial performance, and changes in the leadership of the group which inevitably meant some disruption to the progress that could have been made.

The new reporting requirements mean that the strategic direction, business model and focus of the business are now set out later in this report.

However it is important to emphasise a number of points. Dods creates, within its range of business activities, compelling, accessible and insightful content. At the heart of creating value for shareholders is the ability to ensure that relevant content is delivered concisely, cost effectively and on a timely basis to our existing and new customers. This will enable us to receive an appropriate reward from our customers by enabling them to make better informed decisions. This actionable intelligence, be it delivered in traditional form or digitally, when recognised by our customers creates competitive advantage and greater returns.

The initial reorganisation that was implemented and the ongoing investment in technology already means that we can begin to create a more rewarding balance between the use of traditional and more efficient modern communication.

## RESULTS

With revenue of £19.8 million in the year reflecting not only an increase arising from small acquisitions but more importantly an underlying year on year, like for like increase of 17%, progress has been made. Adjusted EBITDA of £1.1 million also shows an increase of 51% year on year.

The external consultant's work has provided greater insight and understanding of the opportunities for the Dods business. The management team are now focussed on making the changes necessary to enable these opportunities to be taken.

The Strategic Report gives more details on the financial performance.

## ANDREW WILSON

It is also my particularly sad duty to report that Andy Wilson passed away in May of this year. Andy was Interim Chairman until my appointment and had been the representative of our largest shareholder on the Board since the end of 2010. His contribution to Dods was profound and wide reaching. Not only did he provide wise counsel and support but he had a passion for the business. He also contributed content, ranging from the politics of Glastonbury to a critique of the US democratic National Convention in 2012. His contributions will be missed by all and our sympathies are with his family for their loss.

## BOARD CHANGES

During the year there were a number of changes to the Board.

Kevin Hand, having stood down as Chairman at last year's AGM, retired from the Board in January 2014. The Board would like to thank Kevin Hand for his stewardship of the Group for a period

# CHAIRMAN'S STATEMENT (CONT.)

of six years. He steered the Group through a number of changes in its structure and did so largely during a period of challenging economic circumstances.

Alastair Gornall, who was appointed to the Board on 3 September 2013, became Chairman later that month. He resigned from the Board on 25 November 2013. From 1 October 2013 Alastair took primary responsibility for the strategic direction and operation of the whole business. As a consequence of personal circumstances that were unforeseen when he first joined the Company, Alastair decided that he was not the appropriate person to carry forward the reorganisation that he had recommended and which the Board had approved.

On 1 October 2013 the Board took the decision to separate the role of Chief Executive and Chief Financial Officer. Keith Sadler, who held the combined role, took on the role of Chief Financial Officer.

In November 2013, Martin Beck was appointed interim Chief Executive following the resignation of Alastair Gornall and Andy Wilson took on the role of Interim Chairman. Martin was confirmed as the Chief Executive in March 2014. Martin, joined Dods in 2003 as Digital Sales Director, becoming Managing Director of the European business in 2007. In 2012 Dods consolidated its UK and European information businesses under his direction.

I am delighted to be working with Martin and Keith during a period of such opportunity for the business.

Since the year end I am very pleased to report that Cheryl Jones has joined the Board as a *non-executive director*. Cheryl brings a wealth of business experience that will be of great value to the Board and the management as they address the changes necessary to take the business through the year ahead.

## EMPLOYEES

I must on behalf of the current board and senior management and previous directors acknowledge the vital contribution that the employees of Dods make to the performance of the group. We rely on their commitment and application to the business. We must ensure that as we move the business forward to address the opportunities we have that this commitment is rewarded with *stimulating opportunities for our employees to develop and enjoy working* in an exciting segment of a dynamic industry sector.

## OUTLOOK

This current year must be viewed as transitional. The investment in technology is a core element of this as is the need to evolve the business operations to ensure we use this investment to deliver our products and services more efficiently.

Chairman  
8 July 2014



# STRATEGIC REPORT

THE DIRECTORS PRESENT THEIR STRATEGIC REPORT ON THE GROUP FOR THE YEAR ENDED 31 MARCH 2014.

## OBJECTIVES

The group has two main objectives. The first is to be universally recognised by the communities we serve as the most authoritative commercial source of content, information and insight. Through this we expect to create long term sustainable shareholder value underpinned by strong customer relationships generating recurring revenue.

## BUSINESS MODEL

The Group's business model is based on serving communities who seek to make, understand, influence or implement public sector policy. From a revenue perspective we group those who have an interest in the creation of policy into a 'Political' community, with those who have an interest in the implementation of policy into a 'Public Sector' community. Our communities include MPs, civil servants, MEPs and think tanks as well as our paying customers such as public affairs agencies, public affairs departments within corporates, trade associations, charities, those seeking to sell to the public sector and various public sector bodies. These communities often concentrate in geographical locations specialising in their areas of responsibility such as Westminster, Whitehall, Brussels, Paris and Holyrood. Increasingly these communities overlap in their areas of interest.

In our interim results to 30 September 2013, we announced an initial reorganisation. In broad terms, our Information, Europe and Engagement business units were combined into the Political unit and our Government and Political Knowledge units were combined into the Public Sector unit. Services provided by the Political unit include our market leading monitoring and data services, our research business, publishing, and events, including party conference events aimed at the Political community. Services provided by our Public Sector unit include training, events and publishing.

Our aim is to provide compelling content and events which enable high client retention and repeat attendance at events, all delivered cost effectively and efficiently.

## BUSINESS REVIEW

### HIGHLIGHTS

Revenue for the year ended 31 March 2014 was £19.8 million up, from the £18.8 million reported for the 15 months to 31 March 2013. Excluding the acquisitions made during the 15 month period, like for like revenues for the 12 months were up £2.5 million or 17% on the comparable period. We saw our gross profit margin increase to 29% from 27% reflecting the increasing proportion of our higher margin information business.

The Group's Adjusted EBITDA was £1.1 million up from £0.4 million in the prior 15 month period. Progress at the EBITDA level was driven by an improved performance across a broad range of the Dods portfolio.

Our reported loss before tax of £1.5 million is after charging amortisation and depreciation of £2.1 million (£1.1 million of acquired business amortisation; £0.8 million of intangible amortisation; and £0.2 million of depreciation) and non-trading costs of £0.5 million.

Capital expenditure in the year was £1.6 million. Our cash balance of £5.3 million was down £1.7 million from £7.0 million at March 2013.

Cash generated by operations in the year was £0.4 million and cash investment in technology, software and hardware, amounted to £1.6 million with a further £0.6 million being the settlement of deferred consideration.

During the year non-trading costs, comprising consultancy fees and people restructuring costs, amounted to £0.5 million.

Significant improvement was registered within our monitoring services both in London and Brussels, across the breadth of the old 'Political Knowledge' business, but especially in training, the Parliament Magazine, Westminster focussed events and our research business.

## SIMPLIFICATION AND CULTURE CHANGE

During the 12 months the business has been reorganised from five, independent and sometimes competing stand-alone units, into two business units. As outlined above these units are 'Political' and 'Public Sector'. The focus is now on making the changes necessary to ensure these two units work together and deliver high quality content to our customers and deliver better services through sharing skills and resources.

Part of this simplification process saw the senior management team reduced to four executives. This smaller team has committed to an on-going review of peripheral and non-performing areas of the business. Overall the aim is to deliver a greater proportion of our content digitally and to move our revenue away from discretionary and intermittent spend to more reliable, high retention, higher margin subscription based revenue streams. These now account for 37% of all revenues.

## IT SYSTEMS AND TECHNOLOGY

In recent years we have invested significantly in our IT infrastructure which holds and allows access to our information base. We

# STRATEGIC REPORT (CONT.)

are now starting to make this available to clients through the monitoring desktop. This product will underpin our core information and data services for both Westminster and Brussels. At the end of the financial year 11% of our UK customers had been migrated to the new system. We expect this migration will be completed later in this financial year.

We continue to invest in a new 'Content Management System'. This system supports the externally facing websites that are used by our digital publishing titles as well as our events. It was delivered in the fourth quarter and will support our digital publishing transformation. Previously Dods had been using five different systems so this change reduces both complexity and cost. The roll-out of new publishing hubs began in March.

Internally, we have begun the implementation of a new CRM system. This will lead to better understanding of our customer needs and increased cross-selling and improved account management.

## POLITICAL UNIT

Dods is emerging as a business rich in information and data. We serve our customers with daily, essential information on political and policy developments (monitoring) and the people involved (via Dods People). We lead the market both in Westminster and in Brussels. The highlights of our information and data services include:

- Information and data revenue up 17% to £5,980,000  
UK monitoring revenue increased by 14% to £3,049,000  
EU monitoring revenue increased by 27% to £1,973,000  
Total monitoring customer numbers across all markets reached over 750
- UK monitoring passed the 500 customer mark
- We won our first 23 customers for existing EU services to businesses in the US, Berlin and Paris.
- Parliament magazine recovered with revenues up 9% to £0.9 million on a lower cost base

## PUBLIC SECTOR UNIT

The Public Sector unit is a training, events and publishing business. Its main areas of activity include civil service training which is run through a framework contract (Civil Service Learning) managed by Capita, Westminster Briefing, which is a policy briefing business for non-civil service clients, and government events including Civil Service Live. These products and services often use the valued brand of a fortnightly newspaper Civil Service World.

The highlights of this business include:

- Total revenues up 39% to £6,221,000
- Revenues from the Capita/Civil Service Learning contract more than doubled
- New revenues from selling our training expertise overseas
- Revenues for Westminster Briefing up 39% to £1,550,000
- Revenues for Civil Service Live up 14%
- Other event revenues up 9% to £1,156,000
- Print revenues down 8% to £243,000

Civil Service Live is in the process of being reinvigorated and run as a conference rather than a trade show. Our event, The Future of Health, won 'best event' at the British Media Awards.

## ACQUISITIONS

In recent years Dods has made a number of acquisitions. In 2012 we acquired Politics Home, Total Politics and Holyrood Communications and in 2013 three websites from Sift Media. To a greater or lesser extent all these businesses are impacted by the investment we are making in technology. Politics Home has led our digital publishing initiative and has become an integral part of our offering.

Total Politics and The House magazine compete and, although trading of The House has stabilised, the financial performance of Total Politics has been disappointing.

The Holyrood Magazine is an award winning publication which has enabled the business to build a significant events business in Scotland. Revenue year on year was slightly down but we are now working on exploiting greater synergies between Holyrood and the rest of Dods.

## OUTLOOK

Our investments in technology will be instrumental in enabling us to reduce discretionary and intermittent spend and increase more reliable, high retention, higher margin subscription based revenue streams. We are reviewing and transforming our publishing and events operations which we expect to improve profitability. We are committed to creating a customer focussed culture in which all work collaboratively. All of this, however, must be achieved whilst operating efficiently and cost effectively.

The year ahead will be one of change as we both exploit the benefits of our investment in technology and enable more of our customers to get benefit from the compelling content we create. Our employees deserve to be part of a business that is not only regarded for its content but also its financial performance.

The current year has started satisfactorily, showing progress on last year.

**RISKS & UNCERTAINTIES**

The directors consider that the principal risks and uncertainties facing the Group are:

<b>Risks</b>	<b>Description</b>	<b>Mitigation</b>
<b>Revenue</b>	Competitive pressure on prices	Offer enhanced product and services and embed our services into client workflows.
	Self-supply	Embed our services into clients workflow. Offer the appropriate level of service to ensure that clients get value for money
	Falling print revenues	Migrate our content offering to a digital platform where we can improve the proposition for our clients.
<b>IT/Technology</b>	Failure and impact on business	Investment in more stable systems and retire legacy systems
	Wage inflation	Ensure business model adapts to cost base
<b>Office move</b>	Disruption	Termination of head office lease on 2016 Discussions with the landlord will be started at the end of the financial year.

By Order of the Board  
8 July 2014

**FINANCIAL REVIEW****REVENUE AND OPERATING RESULTS**

The results for the 12 months show revenue of £19.8 million compared to the 15 month period of £18.8 million, and Adjusted EBITDA was £1.1 million compared to £0.4 million for the 15 months to 31 March 2013. On a pro forma 12 month basis revenue was £17.6 million for the year to 31 March 2013 reflecting a 12.1% increase in revenue. At the Adjusted EBITDA level, the pro forma figure for the 12 months to 31 March 2013 was £0.3 million against the Adjusted EBITDA for the year ended 31 March 2014 of £1.1 million. Amortisation of intangible assets acquired through business combinations totalled £1.0 million (2013: 15 months £1.2 million) and the amortisation of software was £0.8 million (2013: 15 months £0.8 million).

On a like for like basis, taking account of the full year effect of the acquisitions in the prior year, revenue increased by £2.5 million or 17% and the Adjusted EBITDA increased by £0.4 million or 51%.

Net administration costs have increased year on year, primarily, due the full year effect of the acquisitions of Holyrood Communications and Total Politics. The full year increase due to the acquisitions saw the administration cost line increase by £0.9 million.

The statutory loss before tax for the year was £1.5 million compared to the loss for the 15 months ended 31 March 2013 of £10.6 million.

**NON-TRADING ITEMS**

As disclosed in note 4, non-trading items for the year totalled £0.5 million (15 months ended 31 March 2013: £1.7 million). The majority of these expenses related to people costs incurred in internal re-organisation of the business. £152,000 was incurred in a strategic review carried out by external media consultants.

**TAXATION**

The utilisation of tax losses has led to a low tax payment in the year and a net income tax credit of £0.2 million (15 months ended 31 March 2013: tax credit of £0.4 million) in the year. Whilst the Group continues to seek to optimise its tax position going forward, it is expected that the effective tax rate will increase.

**EARNINGS PER SHARE**

Normalised earnings per share (before non-trading items, discontinued operations, share based payments credits and amortisation of intangible assets acquired through business combinations) was 0.06 pence (2013: loss 2.76 pence per share). Basic loss per share was 0.38 pence (2013: 3.75 pence per share).

**DIVIDENDS**

The Directors do not propose to pay a dividend.

**LIQUIDITY AND CAPITAL RESOURCES**

Interest and finance costs payable during the 12 months amounted to £12,000 (15 months 2013: £0.1 million).

During the period, underlying cash conversion was in line with expectations. The Group generated £0.4 million (15 months 2013: expended £1.5 million) of cash from its operating activities. The Group used £2.1 million in investing activities. £1.6 million of which was investment in software and hardware for our technology platforms and £0.6 million on the settlement of the deferred consideration for the purchase of Politics Home, our news aggregation and stakeholder site.

At the year-end, the Group had net cash of £5.3 million (2013: £7.0 million). This reflects the ongoing investment in our technology platforms

**DERIVATIVES AND OTHER INSTRUMENTS**

Dods' financial instruments comprised bank loans, cash deposits and other items such as normal trade receivables and payables. The main purpose of these financial instruments is to finance the Group's day-to-day operations.

The Group's policy is that no speculative trading in derivatives is permitted.

By Order of the Board  
8 July 2014



# BOARD OF DIRECTORS

THE BOARD COMPRISES A CAREFULLY SELECTED BLEND OF INDIVIDUALS WITH EXPERIENCE FROM RELEVANT SECTORS AND BUSINESSES.

## EXECUTIVE DIRECTORS

### **Martin Beck (aged 42) N**

#### **Chief Executive Officer**

Martin joined Dods in 2003 as Digital Sales Director, becoming MD of the European business in 2007. In 2012 Dods consolidated its UK and European information businesses under his direction. He started his career in publishing in 1994 with The Builder Group, part of UBM, and subsequently in a privately owned business specialising in recruitment media. Martin was a director of Boundary Travel Limited until November 2013. Martin holds an honours degree in history from the University of Kent. He was appointed to the Board in November 2013.

### **Keith Sadler (aged 55) N**

#### **Chief Financial Officer**

Keith was formerly Group Finance Director of Jaywing plc, a digital marketing agency. Prior to this he was Chief Executive and Group Finance Director of SPG Media Group plc, Group Finance Director and Company Secretary of The Wireless Group plc and of two quoted regional newspaper publishers, News Communication and Media plc and Bristol United Press plc. Prior to this he was Treasurer of Mirror Group Newspapers plc. He is a Non-Executive Director of TLA Worldwide Plc, an athlete representation agency and was formerly Non-Executive Chairman of Space Engineering Limited. Keith is a chartered accountant and holds an honours degree in economics from the University of Kent. He was appointed to the Board in April 2012.

## NON-EXECUTIVE DIRECTORS

### **Michael Higgins (aged 57) N A R**

#### **Chairman**

Michael Higgins has over 25 years' experience of advising and working with public companies including 15 years as a partner and senior advisor at KPMG. Michael currently holds a variety of senior positions for a range of public companies including non-executive Chairman of Ebiquity plc, an independent marketing performance specialist, and non-executive director

of Arria NLG plc, a software development business. Michael has also engaged in strategic advisory roles to publishing businesses including Torcello Limited and Inspiratia, an online publishing venture focussing on the infrastructure finance market. Michael has an MA in Economics and Politics from Cambridge University and qualified as an accountant with Price Waterhouse in 1981. He was appointed to the Board in April 2014.

### **The Lord Adonis (aged 51) N R**

Lord Adonis was formerly the Director of the Institute for Government, an independent charity with cross-party and Whitehall governance, which works to increase government effectiveness. Prior to this, he spent twelve years in government as a minister and special adviser, latterly as Secretary of State for Transport. Previously he was Minister for Schools, Head of the No.10 Policy Unit and senior No.10 adviser on education, public services and constitutional reform. Before joining government, he was Public Policy Editor of the Financial Times and a Fellow of Nuffield College Oxford. He is also a director of two charities – the Baker-Dearing Trust and Edge. He has been a member of the House of Lords since 2005 and was appointed to the Dods (Group) PLC Board in January 2011.

### **Cheryl Jones (aged 55) N A**

Cheryl is currently non-executive Chairman of AIM listed BCB Holdings Ltd, a financial services company. She was appointed as a non-executive director of BCB Holdings in 2007 and became Chairman in 2011. She was previously Chairman of AIM listed Impellam Group plc, a managed services and specialist staffing company with revenues of £1.2 billion, and CEO of AIM listed One-Source Services Inc., a managed services and facility services company with revenues of \$835 million. Throughout her career, Cheryl has held senior positions in strategic planning, marketing and program development, and operational change management. She holds a BS in Management from Purdue

University and a MBA from DePaul University. Cheryl was appointed to the Board in May 2014.

### **Henrietta Marsh (aged 54) N A R**

Henrietta is an Operating Partner of ISIS Equity Partners and represents ISIS on the Dods Board. She chairs the remuneration committee and is the interim chairman of the audit committee. She is also an independent non-executive director at Alternative Networks plc and Acal plc and a director of Electric Word plc. She was the founder chairman of the AIM VCT Managers Group and is a member of the London Stock Exchange's Aim Advisory Group. Formerly, she was responsible for AIM investment at ISIS and was director of 3i plc, where she worked as a fund manager. She has an MA in Mathematics from Cambridge University and an MBA from INSEAD. She was appointed to the Board on 20 April 2012.

### **Sir William Wells (aged 73) N R**

Sir William's career encompasses senior positions in public health, commercial property, insurance and business services. He was Managing Partner and then Chairman of Chesterton Chartered Surveyors for 34 years, where he oversaw their transition from a private partnership to a listed company. His other experience includes non-executive director roles with AMP (UK), Henderson Group plc and Exel plc, which was subsequently acquired by Deutsche Post. Sir William is Chairman of ADL plc, a care home provider, Restore plc, a data handling business, CMG plc, a specialist in the care of adults with learning difficulties, and Transform plc, the leading cosmetic surgery company in the UK. He was previously the Chairman of the Department of Health's Commercial Advisory Board, and the NHS Appointments Commission. He was appointed to the Dods (Group) PLC Board in December 2010.

**A** Member of the Audit Committee

**N** Member of the Nomination Committee

**R** Member of the Remuneration Committee

# DIRECTORS' REPORT

## PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Group's principal activity is the curation and aggregation of high quality information and data and the provision of services through a combination of online information and digital services, training courses, conferences and events, publications and other media. The Group operates primarily in the UK, Belgium and France and has market-leading positions in much of its portfolio. A review of the Group's performance during the year and its position at the year end, including commentary on its financial performance, likely future developments and prospects, is set out on pages 7 to 9 and should be read in conjunction with this Report. A description of the principal risks and uncertainties facing the Group can be found in this Report on page 9. The purpose of the Annual Report is to provide information to the members of the Company. The Annual Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve risk and uncertainty, since future events and circumstances can cause results and developments to differ from those anticipated. Nothing in this Annual Report should be construed as a profit forecast.

## RESULTS AND DIVIDENDS

The Group's financial results for the year are shown in the Consolidated Income Statement on page 20. The Board of Directors believe it is in the best interests of the Group to maintain its cash resources to execute on its growth strategy and therefore, as in previous years, has decided not to pay a dividend. The Board keeps this policy under review.

## FINANCIAL INSTRUMENTS

Details of financial instruments can be found in notes 17 and 18 to the accounts.

## DIRECTORS

The names and brief biographical details of the current directors are given on page 10.

## DIRECTORS' INTERESTS

Details of the directors' interests (including those of their immediate families and any connected persons) in the share capital of the Company at the beginning and end of the year are set out below. Save as disclosed, no contracts or arrangements were entered into during the year or subsisted at the year-end in which a director had, directly or indirectly, a material interest which was significant in relation to the Group's business.

On 23 May 2013 Martin Beck and Keith Sadler were awarded share options. These awards were made under an EMI approved scheme and are subject to demanding performance criteria based on achieving a minimum share price of 8.5p. There have been no other changes in the directors' beneficial or non-beneficial interests between the year-end and 8 July 2014, the date on which this Report has been signed. Save as disclosed, none of the directors had any interest in the securities of the Company or any Subsidiary.

All other options relate to awards made under the Dods (Unapproved) Executive Share Option Scheme under which awards are no longer being made. Further details of all the Company's share option schemes, including all outstanding options at the year-end, the various option exercise prices and the EPS performance condition attaching to the exercise of the Executive Share Options, are set out in note 26 to the accounts.

The market-price of a Company share during the 12 months was as follows: share price on 1 April 2013 4.25 pence; share price on 31 March 2014 2.88 pence; average share price during the year 3.70 pence.

	Interest in Ordinary shares		Interest in Options over Ordinary Shares		
	At 01/03/13	At 31/03/14	At 31/03/13	Granted	At 31/03/14
<b>Kevin Hand</b> (resigned 6 January 2014)	208,851	208,851	-	-	-
<b>Martin Beck</b> (appointed December 2013)	-	-	535,000	1,000,000	1,535,000
<b>Keith Sadler</b>	-	-	-	2,000,000	2,000,000
<b>Lord Adonis</b>	-	-	-	-	-
<b>Henrietta Marsh</b>	375,000	375,000	-	-	-
<b>Sir William Wells</b>	945,000	945,000	-	-	-
<b>Andrew Wilson<sup>1</sup></b>	-	-	-	-	-
<b>Alastair Gornall</b> (appointed 3 September 2013 resigned 25 November 2013)	-	-	-	-	-

<sup>1</sup>Andrew Wilson died on 15 May 2014.

# DIRECTORS' REPORT (CONT.)

## SHARE LISTING

The Company's Ordinary shares are listed on the Alternative Investment Market (AIM), which is regulated by the London Stock Exchange.

## EMPLOYEE INVOLVEMENT

Dods aims to attract, retain and motivate its employee by encouraging and rewarding high performance, both on an individual and team contribution basis, through competitive remuneration and incentive arrangements. Efforts are made to provide employees with continuing opportunities to develop their full potential and advance to positions of greater responsibility by gaining the relevant skills and experience required to deliver upon both the Group's business objectives and the individual's own personal objectives. The Group is committed to providing equality of opportunity to all existing and prospective employees without unlawful or unfair discrimination. In addition, it is supportive of the employment and advancement of disabled persons. All operations within the Group actively encourage employee involvement and communication, both through regular employee briefings and by direct access to managers and directors at all levels.

## EMPLOYEE SHARE SCHEMES

The Company has established two discretionary share incentive schemes for executive directors, senior management and key employees from those principal countries in which the Group operates. It has also established an All-Employee Savings-Related Share Option Scheme, which operates in both the UK and France, and which encourages share ownership by providing employees with the opportunity to acquire shares in the Company at a discount to the market price at the date of grant through regular savings over a three to five year time-frame. Further details of these share option schemes are set out in note 28 to the accounts.

## POLITICAL AND CHARITABLE DONATIONS

No charitable or political donations were made in the year (2013: nil).

## RETIREMENT AND ROTATION OF DIRECTORS.

Pursuant to the Company's Articles of Association, Henrietta Marsh, will retire by rotation at the Company's Annual General Meeting ("AGM") and, being eligible, offer herself for re-election. In addition, Martin Beck, Michael Higgins and Cheryl Jones who were appointed during the period since the last AGM will retire at the AGM and being eligible, offer themselves for re-election. The Board has considered the principles of the QCA Governance Code for small and mid-size quoted companies 2013 in respect of these matters and believes that these members continue to be effective and to demonstrate their commitment to the role, the Board and the Group. The Board therefore has no hesitation in recommending the above directors for re-election at the forthcoming AGM. The service contracts of the executive directors and the letters of appointment of the non-executive directors, together with the statutory Register of the Directors' Interests, are available for inspection by shareholders at the Company's registered office during normal business hours.

## DIRECTORS' AND OFFICERS' INDEMNITY INSURANCE

The Group has taken out an insurance policy to indemnify the directors and officers of the Company and its subsidiaries in respect of certain liabilities which may attach to them in their capacity as directors or officers of the Group, as far as permitted by law. This insurance policy subsisted throughout the year and remains in place at the date of this report. The Group has also given directors a limited indemnity as allowed under the Companies Act 2006.

## SUBSTANTIAL SHAREHOLDINGS

As at 30 April 2014, the Company had been notified of the following interests in 3% or more of its issued share capital:

Lord Ashcroft	44.2%
ISIS EP LLP	20.1%
Artemis Investment Management	7.9%
Schroders	5.8%
Sasqua Fields Capital Partners I LLC	5.6%

## SHARE CAPITAL

The issued share capital of the Company is 339,770,953.

At the AGM held on 26 September 2013, shareholders granted the Company limited authority to purchase its own shares, subject to certain specified conditions. No such purchase was made during the year and.

## CREDITOR PAYMENT POLICY

The Group's practice is to settle the terms of payment and credit with suppliers as part of the agreed terms and conditions of contract governing each business transaction. Payment is then made pursuant to these terms provided that the goods and services have been delivered in accordance with the agreed contract terms and conditions. The average creditor payment period for the Company during the year was 5 days (2013: 25).

## HEALTH, SAFETY AND ENVIRONMENTAL

The Chief Executive Officer is responsible to the Board for the health, safety and environmental performance of the Group. Local management has been delegated responsibility for practical day-to-day compliance with relevant legislation at operating unit level. This includes the requirement for a local policy statement, the provision of appropriate related training as well as the communication to all employees of the need to create and maintain a safe and healthy working environment. In appreciating the importance of good environmental practice, Dods seeks to ensure that its operations and products cause minimum detrimental impact to the environment. The Group's objective is to comply with environmental legislation in all countries in which it operates and to promote effective environmental management throughout its business.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The key business risks and uncertainties facing the Company have been considered by the Board as part of its strategy review, with the resulting potential impacts and mitigating actions reported back to the Board at subsequent meetings throughout the year. Details of the day-to-day identification, monitoring and managing of our business risks by the Executive Management team, and an explanation of the process involved (including the regular review by the Board and Audit Committee), are set out in the section entitled "Internal Controls" in the Corporate Governance Statement on page 15. The alternative sources of Dods' revenue streams serve to spread our general exposure to business risks and uncertainties. The key risks identified by the directors and mitigating actions are set out on page 9.

**GOING CONCERN**

The directors believe, having reviewed the Group's forecasts and its existing banking and loan facilities, that the Group has adequate resources available to continue its operations for the foreseeable future. Consequently, the going concern basis has been applied in preparing the financial statements for the 12 months ended 31 March 2014.

**DIRECTORS' STATEMENT ON****DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who held office at the date of approval of this Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

**AUDITORS**

A resolution to reappoint Grant Thornton as auditors and to authorise the directors to determine their remuneration will be proposed at the forthcoming AGM.

**ANNUAL GENERAL MEETING**

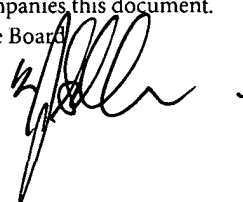
The Annual General Meeting of the Company will be held on 25 September 2014 at the Group's offices in London. At which he directors will present their annual report together with the audited financial statements of Dods (Group) PLC (the "Company") and its subsidiaries (together, the "Group") for the 12 months ended 31 March 2014.

A separate circular, comprising a Letter from the Chairman, Notice of Meeting, Explanation of Special Business and a reply-paid Form of Proxy, accompanies this document.

By Order of the Board

Keith Sadler

8 July 2014



# CORPORATE GOVERNANCE

As of 11 August 2014, it will be a requirement of Rule 26 of the AIM Rules for Companies, that the Company's website contains details of the corporate governance code that the Dods has decided to apply and how the Company complies with that code.

As a company listed on AIM, Dods is not required to comply with the UK Corporate Governance Code. The corporate governance code that the Directors have decided to apply is the Corporate Governance Code for Small and Mid-Size Quoted Companies (2013) produced by the Quoted Companies Alliance (the "QCA Code"). The Board notes that the QCA Code refers to certain minimum disclosures which must be seen to be addressed in order for a company to say that it complies with the QCA Code.

The Directors are of the opinion that the Company complies with these minimum disclosure obligations save to the extent referred to in this statement. Set out below are those disclosure items which the Company does not currently comply with in full.

Disclosure	Commentary
<b>Audit Committee Report and Remuneration Committee Report</b>	Historically, neither the Audit Committee nor the Remuneration Committee produced its own report for inclusion within the Company's report and accounts. The Board will consider whether the Audit Committee and Remuneration Committee should produce its own report as part of its next annual report and accounts.
<b>Performance Evaluation</b>	The performance of each of the Executive Directors is reviewed annually as part of the Group's yearly appraisal process for all employees. There has not historically been an annual assessment of the performance of the non-executive Directors or of the Board as a whole (or any of its committees). The Board intends to commence such evaluation exercises during the current year.

## THE BOARD

The Board currently comprises the Chairman, Chief Operating Officer and Chief Financial Officer and four Non-Executive Directors. Short biographical details of each of the Directors are set out on page 10. The Board is responsible to the shareholders for the proper management of the Group and generally meets monthly (except in August) to set the overall direction and strategy of the Group.

The roles of Chief Executive Officer and Chairman are separate and there is a clear division of their responsibilities. All Directors are subject to re-election at least every three years. Henrietta Marsh will retire at the upcoming Annual General Meeting ("AGM") and, being eligible, offer herself for re-election. As this is the first AGM since their appointments by the Board of Directors, Martin Beck, Michael Higgins and Cheryl Jones will stand for election.

## BOARD COMMITTEES

### REMUNERATION COMMITTEE

The composition of the Remuneration Committee is disclosed on page 10 and comprises solely Non-Executive Directors. The Remuneration Committee, on behalf of the Board, meets as and when necessary to review and approve as appropriate the contract terms, remuneration and other benefits of the Executive Directors. The Remuneration Committee also approves the remuneration of the senior management and remuneration plans for the Group as a whole as part of the budget.

The Remuneration Committee approves the setting of objectives for the Executive Directors and authorises their annual bonus payments for achievement of objectives.

The Remuneration Committee aims to put in place remuneration packages that are sufficient to attract, retain and motivate the Executive Directors required to run the Group successfully, but seeks not to pay more than is necessary for their services.

The Remuneration Committee is empowered to recommend the grant of share options under the share option plan. The Remuneration Committee considers there to be an appropriate balance between fixed and variable remuneration and between short-term and long-term variable components of remuneration. All the decisions of the Remuneration Committee on remuneration matters in the 12 months ended 31 March 2014 were reported to and endorsed by the Board.

Further details of the Group's policies on remuneration are given on page 36.

### AUDIT COMMITTEE

The Audit Committee comprises solely Non-Executive Directors. By invitation, the meetings of the Audit Committee may be attended by the other Directors and the external auditor. The Committee meets not less than twice annually. The Audit Committee oversees the monitoring of the adequacy and effectiveness of the Group's internal controls, accounting policies and financial reporting and provides a forum for reporting by the Group's external auditor. Its duties include keeping under review the scope and results of the audit and its cost effectiveness, consideration of management's response to any major audit recommendations and the independence and objectivity of the auditor.

### NOMINATION COMMITTEE

During the year under review, there have been several changes to the Board and all decisions on these have been taken by the Board as a whole having regard to the structure and balance of the Board. It is intended to constitute a Nomination Committee in the forthcoming year.

The terms of reference for all committees are available on the Group's website.

## COMPANY SECRETARY

The Company Secretary is responsible for advising the Board through the Chairman on all governance issues. All Directors have access to the advice and services of the Secretary.

## ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The Directors attended the following Board and Committee meetings during the year ended 31 March 2014.

	Board	Remuneration	Audit	Nomination
<b>Total meetings held</b>	11		1	2
<b>Kevin Hand</b> (resigned 6 January 2014)	6	-	1	-
<b>Martin Beck</b> (appointed 25 November 2013)	4	-	-	-
<b>Keith Sadler</b>	11	-	-	-
<b>Lord Adonis</b>	10	1	-	-
<b>Henrietta Marsh</b>	11	1	2	-
<b>Sir William Wells</b>	10	1	-	-
<b>Andy Wilson<sup>1</sup></b>	9	-	2	-
<b>Alastair Gornall</b> (appointed 3 September 2013; resigned 25 November 2013)	2	-	-	-

<sup>1</sup>Andy Wilson died on 15 May 2014.

## BOARD PERFORMANCE AND EVALUATION

In addition to the re-election of Directors every three years the Board will carry out an evaluation of its own performance. During the year, the Board has not completed a process for evaluation of its own performance. With appointment of Michael Higgins as Chairman the Board intends to complete such an exercise in the current year.

## RELATIONSHIPS WITH SHAREHOLDERS

The Board recognises the importance of effective communication with the Group's shareholders to ensure that its strategy and performance is understood and that it remains accountable to shareholders. The Group communicates with investors through Interim Statements, audited Annual Reports, press releases and the Company's website [www.dodsgroupplc.com](http://www.dodsgroupplc.com). Shareholders are welcome at the Group's AGM, (notice of which is provided with this Report), where they will have an opportunity to meet the Board. The Group obtains feedback from its larger shareholders by direct communication between the non-executive directors and such shareholders and any concerns are communicated to the Board.

## INTERNAL CONTROLS

The Board acknowledges its responsibility for establishing and maintaining the Group's system of internal controls and will continue to ensure that management keeps these processes under regular review and improves them where appropriate.

## MANAGEMENT STRUCTURE

There is a clearly defined organisational structure throughout the Group with established lines of reporting and delegation of authority based on job responsibilities and experience.

## FINANCIAL REPORTING:

Monthly management accounts seek to provide relevant, reliable, up-to-date financial and non-financial information to management and the Board. As the new strategy is implemented changes will be required to management information. Annual plans, forecasts and performance targets allow management to monitor the key business and financial activities and the progress towards achieving the financial objectives. The annual budget is approved by the Board.

## MONITORING OF CONTROLS

It is intended that the Audit Committee receives regular reports from the auditor and assures itself that the internal control environment of the Group is operating effectively. There are formal policies and procedures in place to ensure the integrity and accuracy of the accounting records and to safeguard the Group's assets. The capital expenditure budget and acquisitions and disposals require Board approval.

## GOING CONCERN

The Directors have reviewed the budget for the year ending 31 March 2015 and extended for a three month period to 30 June 2015 which has been adjusted to take account of the current trading environment. The Directors consider the forecasts to be prudent and have assessed the impact of them on the Group's cash flow, facilities and headroom within its banking covenants. Further, the Directors have assessed the future funding requirements of the Group and compared them with the level of available borrowing facilities. Based on this work, the Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

# CORPORATE GOVERNANCE

## (CONT.)

### CORPORATE SOCIAL RESPONSIBILITY

The Board recognises the growing awareness of social, environmental and ethical matters and it endeavours to take into account the interests of the Group's stakeholders, including its investors, employees, suppliers and business partners when operating the business.

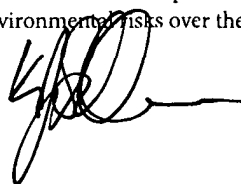
### EMPLOYMENT

At a subsidiary level each individual company has established policies which address key corporate objectives in the management of employee relations, communication and employee involvement, training and personal development and equal opportunity. The Board recognises its legal responsibility to ensure the wellbeing, safety and welfare of its employees and to maintain a safe and healthy working environment for them and for its visitors.

### ENVIRONMENT

By their nature the Group's regular operations are judged to have a low environmental impact and are not expected to give rise to any significant inherent environmental risks over the next 12 months.

By Order of the Board  
*Keith Sadler*  
8 July 2014



# DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic Report and the Directors' 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 elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and have elected to prepare the parent company financial statements in accordance with 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 and profit or loss of the Company and Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards/IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

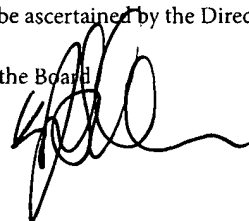
## AIM RULE COMPLIANCE REPORT

Dods (Group) PLC is traded on AIM and as a result the Group has complied with AIM Rule 31 which requires the following:

- sufficient procedures, resources and controls to enable its compliance with the AIM Rules;
- seek advice from Nominated Advisor ("Nomad") regarding its compliance with the Rules whenever appropriate and take that advice into account;
- provide the Nomad with any information it reasonably requests in order for the Nomad to carry out its responsibilities under the AIM Rules for Nominated Advisors, including any proposed changes to the Board and Provision of draft notifications in advance;
- ensure that each of the Directors accepts full responsibility, collectively and individually, for compliance with the AIM rules; and
- ensure that each Director discloses without delay all information which the Group needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the Director or could with reasonable diligence be ascertained by the Director.

By Order of the Board

Keith Sadler  
8 July 2014





# REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF DODS (GROUP) PLC

**WE HAVE AUDITED** the financial statements of Dods (Group) PLC for the 12 months ended 31 March 2014 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related notes, the company balance sheet and the notes to the company financial statements. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRS) 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).

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

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 17, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

## OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2014 and of the group's loss for the 12 months then ended;
- the group financial statements have been properly prepared in accordance with IFRS 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

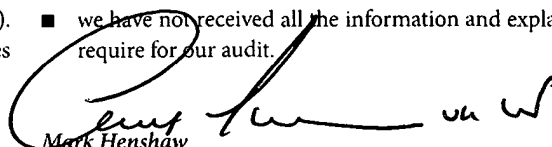
## OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Mark Henshaw

Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
8 July 2014

# CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

	Note	12 Months Ended 31 March 2014 £'000	15 Months Ended 31 March 2013 £'000
Continuing Operations			
Revenue	3	19,775	18,773
Cost of sales		(13,934)	(14,036)
Gross profit		5,841	4,737
Administrative expenses:			
Non-trading items	4	(485)	(1,698)
Amortisation of intangible assets acquired through business combinations	5, 13	(1,026)	(1,223)
Impairment of goodwill	12	-	(6,893)
Net administrative expenses	5	(5,782)	(5,490)
Total administrative expenses		(7,293)	(15,304)
Operating loss		(1,452)	(10,567)
Finance income	8	11	16
Financing costs	9	(47)	(76)
Loss before tax	5	(1,488)	(10,627)
Income tax credit	10	199	386
Loss for the year/period attributable to equity holders of parent company		(1,289)	(10,241)
Loss per share			
Basic and diluted	11	(0.38)p	(3.75)p

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	12 Months Ended 31 March 2014 £'000	15 Months Ended 31 March 2013 £'000
Loss for the period	(1,289)	(10,241)
Exchange differences on translation of foreign operations	(10)	5
Other comprehensive income for the year/period	(10)	5
Total comprehensive income in the year/period attributable to equity holders of parent company	(1,299)	(10,236)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

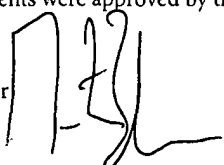
AT 31 MARCH 2014

	Note	2014 £'000	2013 £'000
Goodwill	12	13,282	13,282
Intangible assets	13	14,332	14,699
Property, plant and equipment	14	471	572
<b>Non-current assets</b>		<b>28,085</b>	<b>28,553</b>
Inventories	16	124	158
Trade and other receivables	18	3,759	2,741
Cash at bank and in hand	18,25	5,291	7,037
<b>Current assets</b>		<b>9,174</b>	<b>9,936</b>
Interest bearing loans and borrowings	20	-	-
Income tax payable		(39)	(43)
Trade and other payables	19	(6,790)	(5,879)
<b>Current liabilities</b>		<b>(6,829)</b>	<b>(5,921)</b>
<b>Net current assets</b>		<b>2,345</b>	<b>4,014</b>
<b>Total assets less current liabilities</b>		<b>30,430</b>	<b>32,567</b>
Contingent consideration	21	-	(564)
Deferred tax liability	22	(1,100)	(1,382)
<b>Non-current liabilities</b>		<b>(1,100)</b>	<b>(1,946)</b>
<b>Net assets</b>		<b>29,330</b>	<b>30,621</b>
<b>Equity attributable to equity holders of parent</b>			
Issued capital	23	17,078	17,078
Share premium		8,009	8,009
Other reserves		409	409
Retained profit/(deficit)		3,367	5,129
Share option reserve		471	-
Translation reserve		(4)	(4)
<b>Total equity</b>		<b>29,330</b>	<b>30,621</b>

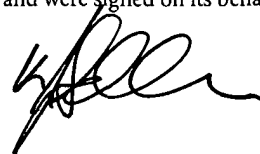
The accompanying notes form an integral part of this consolidated statement of financial position.

These financial statements were approved by the Board of Directors on 8 July 2014 and were signed on its behalf by:

Martin Beck  
Chief Executive Officer



Keith Sadler  
Chief Financial Officer



8 July 2014

Registered number 04267888

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2014

	Share capital	Share premium	Merger reserve	Retained earnings	Translation reserve	Share option reserve	Total shareholders' Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2012	15,200	-	409	15,350	(9)	-	30,950
Total comprehensive loss							
Loss for the period	-	-	-	(10,241)	-	-	(10,241)
Other comprehensive loss							
Currency translation differences	-	-	-	-	5	-	5
Transactions with owners							
Issue of ordinary shares	1,878	8,450	-	-	-	-	10,328
Share based payment credit	-	-	-	20	-	-	20
Placing fees	-	(441)	-	-	-	-	(441)
At 31 March 2013	17,078	8,009	409	5,129	(4)	-	30,621
Reclassification	-	-	-	(473)	10	463	-
Total comprehensive loss							
Loss for the year	-	-	-	(1,289)	-	-	(1,289)
Other comprehensive loss							
Currency translation differences	-	-	-	-	(10)	-	(10)
Transactions with owners							
Share based payment	-	-	-	-	-	8	8
At 31 March 2014	17,078	8,009	409	3,367	(4)	471	29,330

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

	Note	12 months ended 31 March 2014 £'000	15 months ended 31 March 2013 £'000
<b>Loss for the year</b>		<b>(1,289)</b>	<b>(10,241)</b>
Depreciation of property, plant and equipment		225	270
Amortisation of intangible assets acquired through business combinations	13	1,026	1,223
Amortisation of other intangible assets	13	803	843
Impairment of goodwill		-	6,893
Share based payments (credit)/charge		8	20
Net finance costs		36	60
Income tax credit		(199)	(386)
<b>Operating cash flows before movements in working capital</b>		<b>610</b>	<b>(1,318)</b>
Change in inventories		34	(30)
Change in trade and other receivables		(1,022)	119
Change in trade and other payables		904	(7)
<b>Cash generated by operations</b>		<b>526</b>	<b>(1,236)</b>
Taxation paid		(87)	(223)
<b>Net cash from operating activities</b>		<b>439</b>	<b>(1,459)</b>
<b>Cash flows from investing activities</b>			
Interest and similar income received	8	11	16
Acquisition of subsidiaries, net of cash acquired	21	(564)	(1,081)
Acquisition to property, plant and equipment	14	(123)	(112)
Additions to intangible assets	13	(1,462)	(1,530)
<b>Net cash used in investing activities</b>		<b>(2,138)</b>	<b>(2,707)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		-	9,887
Interest and similar expenses paid		(12)	(74)
Repayment of borrowings		-	(94)
<b>Net cash used in financing activities</b>		<b>(12)</b>	<b>9,719</b>
<b>Net increase/(decrease) in cash and cash equivalents in continuing operations</b>		<b>(1,711)</b>	<b>5,553</b>
Opening cash and cash equivalents		7,037	1,479
Effect of exchange rate fluctuations on cash held		(35)	5
<b>Closing cash and cash equivalents in continuing operations</b>	26	<b>5,291</b>	<b>7,037</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

## 1. STATEMENT OF ACCOUNTING POLICIES

Dods (Group) PLC is a Company incorporated in England and Wales.

The consolidated financial statements of Dods (Group) PLC have been prepared and approved by the directors in accordance with International Financial Reporting Standards as endorsed by the International Accounting Standards Board and as adopted by the EU ("adopted IFRS"). The Company has elected to prepare its parent company financial statements in accordance with UK GAAP; these are presented after the notes to the consolidated financial statements.

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group.

The accounting policies set out below, have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

### STANDARDS ADOPTED

There are no IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2013 that would be expected to have a material impact on the group.

### BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules, except for derivative financial instruments which are stated at their fair value, and non-current assets and disposal groups held for sale which are stated at the lower of previous carrying value and fair value less costs to sell.

### GOING CONCERN

The Group had net current assets as at 31 March 2014 of £2,345,000 (2013: £4,014,000). The Directors have considered the implications for Going Concern below.

The Board remains satisfied with the Group's funding and liquidity position.

The Board remains mindful regarding the uncertainties inherent in the current economic conditions. The Group's forecasts and projections, taking account of reasonable changes in trading performance given these uncertainties, show the Group operating within its current cash flow with significant headroom going forward.

On the basis of these forecasts, and given the level of available cash, the Board has concluded that the going concern basis of preparation continues to be appropriate.

Further information on the Group's business activities, together with factors likely to affect its future development, performance and position are set out in the Business and Financial review on pages 7 to 9, and in the Directors' Report on page 11. In addition, note 17 sets out the Group's objectives, policies and processes for managing its capital, financial risks, financial instruments and hedging activities, and its exposures to credit and liquidity risk.

**BASIS OF CONSOLIDATION**

Subsidiaries are entities controlled by the Group (parent company and its subsidiaries referred to as the “Group”). Control is achieved where the Group has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The results of subsidiaries acquired or sold are included in the consolidated financial statements from the date control commences to the date control ceases. Where necessary, adjustments are made to the results of the acquired subsidiaries to align their accounting policies with those of the Group. All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

**BUSINESS COMBINATIONS**

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill as the fair value of the consideration transferred (including the fair value of any previously-held equity interest in the acquiree) and the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Costs relating to acquisitions are shown in non-trading items.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

**REVENUE RECOGNITION - SALE OF GOODS**

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

Revenue on books or magazines provided for clients is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

When books are sold on a sale or return basis, revenue is recognised on distribution less a provision for expected returns.

**REVENUE RECOGNITION - SALE OF SERVICES**

Revenue in respect of subscription-based services, including online services and licensing, is recognised on a straight line basis over the period of subscription or licence. The unrecognised element is carried within creditors as deferred revenue.

Revenue in respect of advertising services is recognised on publication. Where publications are printed and distributed in more than one volume, the fair value of the revenue attributable to each volume is recognised as it is distributed.

Where long term training is provided together with training materials, the fair value of the materials provided to delegates is recognised as revenue upon distribution. The remaining revenue is recognised in stages as courses occur.

When long term training programmes are designed on a client's behalf, revenue relating to the conception, set-up and design of the programme is recognised when the first event occurs. Revenue in relation to the organisation and administration of the programme is recognised over the programme's life.

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Revenue on all one-off events and conferences is recognised as they occur. Cash received in advance and directly attributable costs relating to future events are deferred. Losses anticipated at the balance sheet date are provided in full.

Revenue for recruitment services provided is recognised when an unconditional offer is accepted. Retainer revenue is recognised upon completion of the candidate's probationary period. Interim revenue is recognised for the period in which the interim staff member works.

## LEASES

When the Group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease or similar hire purchase contract. All other leases are treated as operating leases.

Operating lease rentals are charged to the income statement on a straight line basis over the period of the lease.

Lease incentives are recognised in the income statement as an integrated part of the total lease expense.

## POST RETIREMENT BENEFITS - DEFINED CONTRIBUTION

The Group contributes to independent defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

## POST RETIREMENT BENEFITS - DEFINED BENEFIT

The Group's French subsidiary operated a defined benefit pension scheme which was open to all employees, who were entitled to a lump sum on retirement. Following the disposal of the major part of the French business in June 2008, the scheme remains available to 5 remaining French employees of the Group.

At the time of the transfer of the major part of the business, the liability was calculated by a qualified independent actuary to determine the net defined obligations. The liability was less than €500. The Directors consider this to be an immaterial amount and therefore have not given the disclosures required by IAS 19, "Employee Benefits".

## SHARE BASED PAYMENT

The Group operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, but excluding the impact of any non-market related vesting conditions. Non-market related vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Deferred tax is recognised where it is likely that tax relief will be available on the difference between exercise price and market price at the balance sheet date.

## NON-TRADING ITEMS

Non-trading items are items which in management's judgement need to be disclosed by virtue of their size, incidence or nature. Such items are included within the income statement caption to which they relate and are separately disclosed either in the notes to the consolidated financial statements or on the face of the consolidated income statement.

Non-trading items are not in accordance with any specific IFRS definition and therefore may be different to other companies' definition of "non-trading items".



**TAXATION**

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is based on taxable profit for the year and any adjustment to tax payable in respect of previous years. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Group's assets and liabilities for current tax are calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is tax expected to be payable or recoverable on 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, and 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 profit will be available against which temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax nor the accounting profit other than in a business combination.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries 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.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates enacted or that are expected to apply (substantively enacted) at the balance sheet dated when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset 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 or the Group intends to settle its current tax assets and liabilities on a net basis.

**GOODWILL**

Goodwill represents the difference between the cost of acquisition of a business and the fair value of identifiable assets, liabilities and contingent liabilities acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is tested annually for impairment. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

**INTANGIBLE ASSETS**

Intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised on a straight-line basis over their useful lives in accordance with IAS 38 "Intangible Assets". Assets are not revalued. The amortisation period and method are reviewed at each financial year end and are changed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" if this is considered necessary. The estimated useful lives are as follows:

Publishing rights	10-75 years
Brand names	15-20 years
Customer relationships	1-8 years
Customer lists	4 years
Order books	1 year
Other assets	1 year

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Software which is not integral to a related item of hardware is included in intangible assets and amortised over its estimated useful life of 3 years. The salaries of staff employed in the production of new software within the Group are capitalised into software.

For new publications and other new products, development costs are deferred and amortised over periods of between one and five years following the first release of the new product for sale.

## IMPAIRMENT

The carrying amounts of the Group's intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at each balance sheet date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is provided to write off the cost less estimated residual value of property, plant and equipment by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	Over the shorter of the life of the asset or lease period
Equipment, fixtures and fittings	5 years
Database development costs	5 years
Motor vehicles	4 years
IT systems	3 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

**INVENTORIES, WORK IN PROGRESS AND LONG TERM CONTRACTS**

Inventories are stated at the lower of cost and net realisable value. Work in progress consists of internal and third party editorial and production costs prior to print, which are capitalised for new publications and substantial updates of continuing publications. Work in progress is valued at the lower of cost and net realisable value being the recoverable amount based on anticipated forward sales from the first print run. Inventories are expensed through cost of sales.

**CASH**

Cash includes cash on hand and in banks. Cash in banks earn interest at the respective bank deposit rates.

**PROVISIONS**

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS**

Financial assets and financial transactions are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments 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 Group after deducting all of its liabilities, and includes no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group, and, where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and incremental costs directly attributable to the issue, are accounted for on an accruals basis as part of finance expenses in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period that they arise.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

**DERIVATIVE FINANCIAL INSTRUMENTS**

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group uses foreign exchange forward contracts and interest rate caps to hedge these exposures. The Group does not apply hedge accounting. The Group does not use derivative financial instruments for speculative purposes.

Subsequent to initial recognition derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the income statement.

**FOREIGN CURRENCIES**

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the presentation currency of the Group, and the presentation currency for the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are 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 translated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated but remain at the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period ended on the balance sheet date. Exchange rate differences arising, if any, are recognised directly in equity in the Group's translation reserve. Such translation differences are recognised as income or as expense in the income statement in the period in which the operation is disposed of.

## 2. ACCOUNTING ESTIMATES, JUDGEMENTS AND ADOPTED IFRS NOT YET EFFECTIVE

The key assumptions concerning the future and other key sources of estimation and judgements at the balance sheet date that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### a) Capitalisation of internal costs and assessment of their future recoverability

Management has capitalised costs incurred in relation to the development of internally generated intangible assets. The main area where costs have been capitalised has been summarised below:

#### *Production of software*

The salaries of staff employed in the production of new software within the Group have been capitalised into software, within other intangible assets. These production costs are then expensed over the estimated useful life of the software, being 3 years.

Management estimate the extent to which internally generated intangibles will be recovered by assessing future earnings. This is based on past revenue performance and the likelihood of future releases or the use of catalogue. Future sales performance varies from such assessments and changes to provisions against specific publications may be necessary.

### b) Intangible assets

When the Group makes an acquisition, management review the business and assets acquired to determine whether any intangible assets should be recognised separately from goodwill. If such an asset is identified, it is valued by discounting the probable future cash flows expected to be generated by the asset over the estimated life of the asset. Where there is uncertainty over the amount of economic benefit and the useful life, this is factored into the calculation. Judgements and estimations are also used by the Directors for the value in use calculation for impairment purposes of goodwill and other intangible assets. Details of goodwill and intangible assets are given in notes 12 and 13.

### c) Recoverability of trade receivables

Trade receivables are reflected net of estimated provisions for doubtful accounts. This provision is based on the ageing of receivable balances and historical experience. Details of trade receivables are given in note 17.

**d) Deferred tax**

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income. Details of deferred tax are given in note 22.

Details of judgements and estimates in relation to the impairment of goodwill are given in note 12.

**ADOPTED IFRS NOT YET APPLIED**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on 1 April 2014 and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group.

The Group continues to monitor the potential impact of other new standards and interpretations which may be endorsed by the European Union and require adoption by the Group in future accounting periods.

**3. SEGMENTAL INFORMATION****BUSINESS SEGMENTS**

The Group considers that it has one operating business segment. It monitors revenue by product and activity to determine the overall performance of the segment.

Principal activities are as follows:

The Group's principal activity is the curation and aggregation of high quality information and data and the provision of services through a combination of online information and digital services, training courses, conferences and events publications, and other media. The Group operates primarily in the UK, Belgium and France and has market-leading positions in much of its portfolio.

No client accounted for more than 10% of total revenue.

Segment results, assets and liabilities and other information include items directly attributable to the segment. The segment is not aggregated.

The following segmental information about the business is presented below. The key information reviewed by the Chief Operating Decision Maker are Revenues as shown below and EBITDA which is presented in Schedule A. Schedule A shows a reconciliation of segment result stated in the income statement to EBITDA.

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

## 3. SEGMENTAL INFORMATION (CONT.)

YEAR ENDED 31 MARCH 2014

	Consolidated
	£'000
<b>Revenue</b>	
External revenue - sale of goods	19,775
<b>Total revenue</b>	<b>19,775</b>
<b>Earnings before interest, tax, depreciation and amortisation and non-trading items</b>	<b>1,087</b>
<b>Depreciation</b>	<b>(225)</b>
<b>Amortisation</b>	<b>(1,829)</b>
<b>Non-trading items</b>	<b>(485)</b>
<b>Operating loss</b>	<b>(1,452)</b>
<b>Finance income</b>	<b>11</b>
<b>Financing costs</b>	<b>(47)</b>
<b>Loss before tax</b>	<b>(1,488)</b>
<b>Income tax credit</b>	<b>199</b>
<b>Loss after tax</b>	<b>(1,289)</b>

Head Office expenses includes £50,000 in respect of non-trading items (15 months 2013: £623,000). For a breakdown of non-trading items see Schedule A.

2014 - Other information	CGU	Head Office	Consolidated
	£'000	£'000	£'000
Capital expenditure - intangible assets - external	1,180	15	1,195
Capital expenditure - intangible assets - internal	267	-	267
Capital expenditure - other	123	-	123
Depreciation	213	12	225
Amortisation of intangible assets	1,824	5	1,829

**BALANCE SHEET**  
**31 MARCH 2014**

	CGU	Head Office	Consolidated
	£'000	£'000	£'000
<b>Assets</b>			
Segment assets	29,421	-	<b>29,421</b>
Head Office assets	-	8,415	<b>8,415</b>
<b>Consolidated total assets</b>	<b>29,421</b>	<b>8,415</b>	<b>37,836</b>
<b>Liabilities</b>			
Segment liabilities	(8,341)	-	<b>(8,341)</b>
Head Office liabilities	-	(165)	<b>(165)</b>
<b>Consolidated total liabilities</b>	<b>(8,341)</b>	<b>(165)</b>	<b>(8,506)</b>
<b>Consolidated net assets</b>			<b>29,330</b>

**15 MONTHS ENDED 31 MARCH 2013**

	Consolidated
	£'000
<b>Revenue</b>	
External revenue	- sale of goods 18,773
<b>Total revenue</b>	<b>18,773</b>
<b>Earnings before interest, tax, depreciation and amortisation and non-trading items</b>	<b>378</b>
<b>Depreciation</b>	<b>(270)</b>
<b>Amortisation</b>	<b>(8,957)</b>
<b>Non-trading items</b>	<b>(1,718)</b>
<b>Operating loss</b>	<b>(10,567)</b>
Finance income	16
Financing costs	(76)
<b>Loss before tax</b>	<b>(10,627)</b>
Income tax credit	386
<b>Loss after tax</b>	<b>(10,241)</b>

2013 - Other information	CGU	Head Office	Consolidated
	£'000	£'000	£'000
Capital expenditure - intangible assets - external	2,459	-	2,459
Capital expenditure - intangible assets - internal	365	-	365
Capital expenditure - other	112	-	112
Depreciation	255	15	270
Amortisation of intangible assets	2,065	1	2,066

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

## 3. SEGMENTAL INFORMATION (CONT.)

### BALANCE SHEET 31 MARCH 2013

	CGU	Head Office	Consolidated
	£'000	£'000	£'000
<b>Assets</b>			
Segment assets	29,458	-	29,458
Head Office assets	-	9,031	9,031
<b>Consolidated total assets</b>	<b>29,458</b>	<b>9,031</b>	<b>38,489</b>
<b>Liabilities</b>			
Segment liabilities	(7,891)	-	(7,891)
Head Office liabilities	-	23	23
<b>Consolidated total liabilities</b>	<b>(7,891)</b>	<b>23</b>	<b>(7,868)</b>
<b>Consolidated net assets</b>			<b>30,621</b>

### GEOGRAPHICAL SEGMENTS

The following table provides an analysis of the Group's performance and assets by geographical market. Segment revenue is based on the geographical location of customers and segment assets on the basis of location of assets.

	Revenue by geographical market		Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
	Year ended 31 Mar 2014	15 months ended 31 Mar 2013	Year ended 31 Mar 2014	15 months ended 31 Mar 2013	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000	£'000	£'000	£'000	£'000
UK	15,674	14,292	37,181	37,736	1,318	2,571
Continental Europe and rest of world	4,101	4,481	655	753	-	-
Continuing operations	19,775	18,773	37,836	38,489	1,318	2,571

## 4. NON-TRADING ITEMS

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
Abortive deal costs	25	930
Payments in lieu of notice, compensation for loss of office and associated legal fees	-	383
Redundancy and people related costs	294	251
Dilapidations	-	150
Acquisition costs	14	70
Non trading expenses	-	40
Strategic consultancy	152	-
Adjustment to deferred consideration for Politics Home	-	(126)
	<b>485</b>	<b>1,698</b>

Abortive deal costs include legal and financial due diligence costs in respect of the aborted DeHavilland acquisition. The Company decided not to pursue the acquisition of the DeHavilland Political Intelligence division of EMAP Limited following the referral to the Competition Commission by the Office of Fair Trading.



Payments in lieu of notice , compensation for loss of office and associated legal fees in respect of a former Chief Executive.

Redundancy and people related costs represent the effect of a Group initiative to reduce costs.

Dilapidations are in respect of office space held by EPIC PLC, a company the Group disposed of during 2008.

Acquisition expenses include legal and financial due diligence costs associated with the acquisition of Total Politics Limited (formerly known as Biteback Media Limited) and Holyrood Communications Limited.

## 5. PROFIT / (LOSS) BEFORE TAX

Profit / (loss) before tax has been arrived at after charging / (crediting):	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
Depreciation of property, plant and equipment	225	270
Amortisation of intangible assets acquired through business combinations	1,026	1,223
Amortisation of other intangible assets	803	843
Write-back of inventories recognised as an expense	82	1
Inventories recognised as an expense	366	460
Staff costs (see note 7)	9,595	10,855
Non-trading items (see note 4)	485	1,698
Operating lease charge	398	398
<b>Auditors' remuneration</b>		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	10	10
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries, pursuant to legislation	48	48
Other services	3	30
	<b>61</b>	<b>88</b>

Auditors remuneration for non-audit services of £3,500 (15 months 2013: £30,000) related to due diligence and acquisition related work. Amounts paid to the Company's auditor and their associates in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

## 6. DIRECTORS' REMUNERATION

The remuneration of the directors of the Company for the year ended 31 March 2014 is set out below:

	Salaries	Fees	Benefits	Year ended 31 Mar 2014	Pension contributions	Compensation for loss of office	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£	£	£	£	£	£	£	£
<b>Executive directors</b>								
M Beck (appointed 25 November 2013)	47,956	-	580	48,536	-	-	48,536	-
K Sadler	150,000	-	2,282	152,282	41,850	-	194,132	175,332
G Murray (resigned 28 June 2012) <sup>1</sup>	-	-	-	-	-	-	-	467,795
R Levy (resigned 5 April 2012)	-	-	-	-	-	-	-	49,500
<b>Non-executive directors</b>								
A Wilson <sup>3</sup>	-	-	-	-	25,000	-	25,000	4,167
H Marsh	-	25,000	-	25,000	-	-	25,000	23,686
The Lord Adonis	-	25,000	-	25,000	-	-	25,000	31,250
Sir William Wells	-	25,000	-	25,000	-	-	25,000	31,250
A Gornall (appointed 3 September, resigned 26 November 2013)	31,156	-	-	31,156	-	30,000	61,156	-
K Hand (resigned 6 January 2014) <sup>2</sup>	-	26,250	-	26,250	-	-	26,250	43,750
R Flaye (resigned 28 September 2012)	-	-	-	-	-	-	-	25,000
<b>Total</b>	<b>229,112</b>	<b>101,250</b>	<b>2,862</b>	<b>333,224</b>	<b>66,850</b>	<b>30,000</b>	<b>430,074</b>	<b>851,730</b>

<sup>1</sup> Includes payment in lieu of notice. Post resignation, in the 15 months ended 31 March 2013, Mr Murray provided services to the Group and received £14,583.

<sup>2</sup> Post resignation Kevin Hand continued to provide services to the Company and received £8,750 in the year ended 31 March 2014.

<sup>3</sup> The provision of these services ended on 30 June 2014 for which a further £8,750 was paid.

Mr Wilson's fees were paid directly into his pension fund. Mr Wilson died on 15 May 2014.

### DIRECTORS' INTERESTS

The current Directors and their interests in the share capital of the Company at 31 March 2014 are disclosed within the Directors' Report.

**KEY MANAGEMENT COMPENSATION**

The compensation for key management is wholly short term employee benefit.

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£	£
Remuneration of senior management	389,797	794,733

The Group made no pension contributions in respect of senior management, excluding Directors of Dods (Group) PLC, during the year ended 31 March 2014 or in the 15 months ended 31 March 2013.

**7. STAFF COSTS**

The average number of persons employed by the Group (including executive directors) during the year within each category was:

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
Editorial and production staff	142	128
Sales and marketing staff	94	84
Managerial and administration staff	44	41
	280	253

The aggregate payroll costs in respect of these employees (including executive directors) were:

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
Wages and salaries	8,375	9,608
Social security costs	1,151	1,170
Pension and other costs	77	83
Share based payment (credit)/charge	8	(6)
	9,611	10,855

**8. FINANCE INCOME**

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
Bank interest receivable	11	16

**9. FINANCING COSTS**

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
On bank loans and overdrafts	12	74
Net exchange losses	35	2
	47	76

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

## 10. TAXATION

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
<b>Current tax</b>		
Current tax on income for the year at 23% (2013: 24.4%)	40	63
Adjustments in respect of prior periods	-	68
	40	131
Double taxation relief	-	(2)
<b>Overseas tax</b>		
Current tax expense on income for the year at 23% (2013: 24.4%)	43	2
Total current tax expense	83	131
<b>Deferred tax</b> (see note 22)		
Origination and reversal of temporary differences	(212)	(381)
Effect of change in tax rate	(70)	(136)
Total deferred tax income	(282)	(517)
Total income tax (credit)	(199)	(386)

The effect of non-trading items charged during the year is to decrease the tax charge by £nil (2013: decrease of £217,000).

The credit to the income statement in respect of deferred tax of £213,000 (2013: £517,000) is stated after recording a deferred tax asset of £nil (2013: £nil) in respect of tax losses.

The tax charge for the period differs from the standard rate of corporation tax in the UK of 23% (2013: 24.4%).

The differences are explained below:

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
<b>Income tax reconciliation</b>		
Loss before tax	(1,488)	(10,627)
Notional tax charge at standard rate of 23% (2013: 24.4%)	(342)	(2,593)
Effects of:		
Expenses not deductible for tax purposes	304	2,217
Accelerated capital allowances and temporary differences	(288)	(465)
Adjustments to tax charge in respect of prior periods		69
Difference between UK and French tax rates	4	18
Other	2	4
Losses for the year not relieved	121	364
Total income tax (credit)/expense	(199)	(386)

## 11. (LOSS)/EARNINGS PER SHARE

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
Loss attributable to shareholders	(1,289)	(10,241)
Add: non-trading items net of tax	471	1,481
Add: amortisation of intangible assets acquired through business combinations	1,026	1,223
Add/(deduct): share based payment (credit)/charge	8	[6]
Adjusted profit attributable to shareholders post tax	216	(7,543)

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	Ordinary shares	Ordinary shares
<b>Weighted average number of shares</b>		
In issue during the year - basic	339,770,953	151,998,453
Issued in the period - ordinary shares	-	121,265,148
In issue during the year - diluted	339,770,953	273,263,601

Loss per share - ordinary shares (pence)	(0.38)p	(3.75)p
Adjusted loss per ordinary share (as defined above)	0.06p	(2.76)p

<b>Earnings per share on continuing operations</b>		
Loss per ordinary share - basic	(0.38)p	(3.75)p
Loss per ordinary share - diluted	(0.38)p	(3.75)p

Since the Group is loss making, there is no dilutive impact of the share options.

At an extraordinary meeting of shareholders on 7 February 2012 members adopted a new set of Articles of Association and also a capital reorganisation. The members also approved a new set of Articles of Association at the AGM held on 26 September 2013. The Articles of Association have taken advantage of the Companies Act 2006 in which there is no need to have an authorised share capital and therefore nothing is disclosed. The capital reorganisation took place on the same date and split the issued share capital into two. Deferred shares, holders of which do not have the right to receive notice of any general meeting of the Company or any right to attend, speak or vote at such meeting. The deferred shareholders are not entitled to receive any dividend or other distribution and shall on a return of assets in a winding up of the Company entitle the holders only to the repayment of 1pence in aggregate. The deferred shares are also be incapable of transfer and no share certificate will be issued

On 5 April 2012, Dods (Group) PLC issued and allotted 76,950,944 ordinary shares which were admitted to trading on 5 April 2012.

On 25 July 2012, Dods (Group) PLC issued and allotted 110,821,556 ordinary shares to Lord Ashcroft KCMG. These shares were admitted to trading on 21 August 2012.

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

## 12. GOODWILL

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
Cost and Net book value	£'000	£'000
Opening balance	13,282	19,393
Additions	-	782
Impairment	-	(6,893)
Closing balance	13,282	13,282

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill has been allocated as follows:

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
CGU	13,282	13,282
	13,282	13,282

Goodwill is not amortised but tested annually for impairment with the recoverable amount being determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rates and forecasts in income and costs.

The Group assessed whether the carrying value of goodwill was supported by the discounted cash flow forecasts of the Group based on financial forecasts approved by management covering a five year period, taking in to account both past performance and expectations for future market developments. Management has used a five year model using an underlying growth rate of 5%. Management estimates the discount rate using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to media businesses.

The impairment charge was £nil (2013: £6.9m).

### CGU

The recoverable amount of the CGU is determined from value in use calculations.

Value in use was determined by discounting future cash flows generated from the continuing use of the titles and was based on the following most sensitive assumptions:

- cash flows for 2014/15 were projected based on the budget for 2014/15;
- cash flows for years ending 31 March 2015 to 2017 were extrapolated using conservative growth rates at an average of 5%, based on management's view on likely trading and likely growth;
- this assumption is based upon both assumed increases in revenue from yield improvements and expansion of markets and also strict cost control;
- cash flows beyond 2017 are extrapolated using 2% growth rate;
- cash flows were discounted using the CGU's pre-tax discount rate of 9.36%.

Based on the above sensitivity assumptions the calculations disclosed significant headroom against the carrying value of goodwill. The Directors carried out a number of sensitivity scenarios on the data. In the Directors view there is not any key assumption that the Directors based their determination upon that would cause the CGU's carrying amount to exceed its recoverable amount.

## 13. INTANGIBLE ASSETS

	Assets acquired through business combinations	Software	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 January 2012	22,921	2,342	25,263
Additions - externally purchased	1,294	1,165	2,459
Additions - internally generated	-	365	365
Disposals/written off	-	(1,012)	(1,012)
At 31 March 2013	24,215	2,860	27,075
Additions - externally purchased	-	1,195	1,195
Additions - internally generated	-	267	267
Disposals/written off	-	(1,145)	(1,145)
Exchange rate adjustment	-	(1)	(1)
<b>At 31 March 2014</b>	<b>24,215</b>	<b>3,176</b>	<b>27,391</b>
<b>Amortisation</b>			
At 1 January 2012	9,917	1,405	11,322
Charged in year	1,223	843	2,066
Disposals/written off	-	(1,012)	(1,012)
At 31 March 2013	11,140	1,236	12,376
Charged in year	1,026	803	1,829
Disposals/written off	-	(1,145)	(1,145)
Exchange adjustment	-	(1)	(1)
<b>At 31 March 2014</b>	<b>12,166</b>	<b>893</b>	<b>13,059</b>
<b>Net book value</b>			
At 1 January 2012	13,004	937	13,941
At 31 March 2013	13,075	1,624	14,699
<b>At 31 March 2014</b>	<b>12,049</b>	<b>2,283</b>	<b>14,332</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

	Publishing rights	Brand names	Customer relationships	Customer lists	Other assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 January 2012	17,899	1,277	2,951	640	154	22,921
Additions - externally purchased	1,294	-	-	-	-	1,294
At 31 March 2013	19,193	1,277	2,951	640	154	24,215
Additions - externally purchased	-	-	-	-	-	-
<b>At 31 March 2014</b>	<b>19,193</b>	<b>1,277</b>	<b>2,951</b>	<b>640</b>	<b>154</b>	<b>24,215</b>
<b>Amortisation</b>						
At 1 January 2012	5,939	528	2,656	640	154	9,917
Charged in year	1,067	80	76	-	-	1,223
At 31 March 2013	7,006	608	2,732	640	154	11,140
Charged in period	910	64	52	-	-	1,026
<b>At 31 March 2014</b>	<b>7,916</b>	<b>672</b>	<b>2,784</b>	<b>640</b>	<b>154</b>	<b>12,166</b>
<b>Net book value</b>						
At 1 January 2012	11,960	749	295	-	-	13,004
At 31 March 2013	12,187	669	219	-	-	13,075
<b>At 31 March 2014</b>	<b>11,277</b>	<b>605</b>	<b>167</b>	<b>-</b>	<b>-</b>	<b>12,049</b>

As at 31 March 2013 and 2014, Publishing Rights principally relate to Dods Parliamentary Communications Ltd and Le Trombinoscope. These are being written off in equal instalments over the remaining amortisation periods of between 10 and 75 years.

No intangible assets have an indefinite useful economic life.

Included within intangible assets are internally generated assets with a net book value of £1,229,847 (2013: £384,504).



## 14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Equipment and motor vehicles	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 January 2012	570	569	1,139
Additions	24	88	112
Additions through acquisitions	-	268	268
Disposals	(27)	(263)	(290)
At 31 March 2013	567	662	1,229
Additions	-	123	123
Additions through acquisitions	-	1	1
Disposals	-	(123)	(123)
<b>At 31 March 2014</b>	<b>567</b>	<b>663</b>	<b>1,230</b>
<b>Depreciation</b>			
At 1 January 2012	114	338	452
Charge for the year	135	135	270
Additions through acquisitions	-	225	225
Disposals	(27)	(263)	(290)
At 31 March 2013	222	435	657
Charge for the year	98	127	225
Additions through acquisitions	-	-	-
Disposals	-	(123)	(123)
Exchange adjustment	-	-	-
<b>At 31 March 2014</b>	<b>320</b>	<b>439</b>	<b>759</b>
<b>Net book value</b>			
At 1 January 2012	456	231	687
At 31 March 2013	345	227	572
<b>At 31 March 2014</b>	<b>247</b>	<b>224</b>	<b>471</b>

The Group did not have any assets recognised from obligations under finance leases in either the current or prior year.

## 15. SUBSIDIARIES

The results of each of the following principal subsidiary undertakings have been included in the Group accounts as at 31 March 2014 and 2013:

Company	Activity	% Holding	Country of registration
Vacher Dod Publishing Limited (i)	Dormant	100	England and Wales
Training Journal Limited	Holding company	100	England and Wales
Fenman Limited (ii)	Publishing	100	England and Wales
Dods Parliamentary Communications Limited	Publishing	100	England and Wales
Monitoring Services Limited (iii)	Dormant	100	England and Wales
Political Wizard Limited (iii)	Dormant	100	England and Wales
Le Trombinoscope SAS	Publishing	100	France
Total Politics Limited	Publishing	100	England and Wales
Holyrood Communications Limited	Publishing	100	Scotland

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

## 15. SUBSIDIARIES (CONT.)

All subsidiaries are owned directly except as noted below.

- (i) The Company owns the entire issued share capital of Vacher Dod Publishing Limited, which is comprised 223,306 Ordinary "A" shares of £1 each; 156,581 Ordinary "B" shares of £1 each; 21,750 Ordinary "C" shares of £1 each; and 178,363 Ordinary "D" shares of £1 each.
- (ii) The Company directly owns 50% of the issued share capital of Fenman Limited with the residual 50% being owned by Training Journal Limited, of which the company owns 100%. The Company therefore controls the entire issued share capital of Fenman Limited.
- (iii) Dods Parliamentary Communications Limited owns 75% of the issued share capital of Political Wizard Limited with the residual 25% being owned by Monitoring Services Limited, of which Dods Parliamentary Communications Limited owns 100%. The Company owns 100% of the issued share capital of Dods Parliamentary Communications Limited and therefore controls the entire issued share capital of Political Wizard Limited.

## 16. INVENTORIES

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
Work-in-progress	79	98
Finished goods	45	60
	124	158

## 17. FINANCIAL INSTRUMENTS

### SUMMARY OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The carrying amount of financial assets and liabilities recognised at the balance sheet date of the reporting periods under review may also be categorised as follows:

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
<b>Financial assets</b>		
Trade and other receivables	3,144	1,995
Cash and cash equivalents	5,291	7,037
	<b>8,435</b>	<b>9,032</b>
<b>Non-financial instruments</b>		
<b>Financial Liabilities:</b>		
<b>Non current:</b>		
Borrowings - financial liabilities measure at amortised cost	-	-
<b>Current:</b>		
Financial liabilities measured at amortised cost		
Borrowings	-	-
Trade and other payables	(5,477)	(4,626)
	<b>(5,477)</b>	<b>(4,626)</b>
<b>Net financial assets and liabilities</b>	<b>2,958</b>	<b>4,406</b>
Plant, property and equipment	471	572
Goodwill	13,282	13,282
Other intangible assets	14,332	14,699
Prepayments	610	746
Inventories	124	158
Taxation payable	(1,347)	(1,296)
Provisions for deferred tax	(1,100)	(1,382)
Provision for deferred consideration	-	(564)
	<b>26,372</b>	<b>26,215</b>
<b>Total equity</b>	<b>29,330</b>	<b>30,621</b>

The Group has exposure to several forms of risk through its use of financial instruments. Details of these risks and the Group's policies for managing these risks are included below.

### CREDIT RISK

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's principal financial assets are trade and other receivables, and cash.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

At 31 March 2014, £697,000 of the Group's trade receivables were exposed to risk in countries other than the United Kingdom (2013: £365,000).

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

## 17. FINANCIAL INSTRUMENTS (CONT.)

	Gross	Provided	Gross	Provided
	Year ended 31 Mar 2014	Year ended 31 Mar 2014	15 months ended 31 Mar 2013	15 months ended 31 Mar 2013
	£'000	£'000	£'000	£'000
The ageing of trade receivables at the reporting date was:				
Overdue by less than 3 months	2,907	26	1,794	36
Overdue by between 3 and 12 months	292	35	141	22
	3,199	61	1,935	58

Provisions against trade receivables are based on an ageing analysis of overdue receivables and any other indications which suggest an impairment as estimated by management.

The movement in allowance for doubtful accounts in respect of trade receivables during the year was as follows:

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
Balance at 1 April	58	42
Movement	-	16
Balance at 31 March	58	58

### LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The contractual cash flow of each financial liability is materially the same as their carrying amount.

### CURRENCY RISK

The Group is exposed to currency risk on transactions denominated in Euros.

The Group, currently, has no hedge in place. A maximum of 75% of the Group's profits or cash flows can be hedged under the Group's treasury policy.

### SHARE CAPITAL

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. For further details of share capital see note 23.

### SENSITIVITY ANALYSIS

In managing interest rate and currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer-term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings.

At 31 March 2014, it is estimated that a general increase of one percentage point in interest rates would have decreased the Group's profit/(loss) before tax by approximately £nil (2013: £nil).

It is estimated that a general increase of one percentage point in the value of the Euro against Sterling would have increased the Group's profit/(loss) before tax by approximately £5,000 (2013: £8,000).

### FAIR VALUES

The directors consider that the fair value of financial instruments is materially the same as their carrying amounts.

### CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

**18. OTHER FINANCIAL ASSETS**

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
<b>Trade and other receivables</b>	<b>£'000</b>	<b>£'000</b>
Trade receivables	3,138	1,877
Other receivables	11	118
Prepayments and accrued income	610	746
	<b>3,759</b>	<b>2,741</b>

Trade and other receivables denominated in currencies other than Sterling comprise £696,000 (2013: £365,000) denominated in Euros.

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
<b>Cash and cash equivalents</b>	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	5,291	7,037

Net cash includes £5,097,000 (2013: £6,853,000) with Bank of Scotland. Please refer to note 20 for details of the facility available as at 31 March 2014.

Cash includes an overdraft of £366,000 (2013: cash of £530,000) denominated in Euros.

**19. CURRENT LIABILITIES**

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
<b>Trade and other payables</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	508	904
Other creditors including tax and social security	1,308	1,253
Accruals and deferred income	4,974	3,722
	<b>6,790</b>	<b>5,879</b>

Trade creditors and accruals comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 13 days (2013: 24 days).

Current liabilities denominated in currencies other than Sterling comprise £44,000 (2013: £56,000) denominated in Euros.

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
<b>Provisions for liabilities and charges</b>	<b>£'000</b>	<b>£'000</b>
At 1 April	-	-
Charge to the profit and loss account (see note 4)	485	1,698
Utilised	(485)	(1,698)
At 31 March	-	-

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

## 20. INTEREST BEARING LOANS AND BORROWINGS

The Group has no borrowings.

In connection with the Group's banking and borrowing facilities with the Bank of Scotland, the Company and its UK subsidiary undertakings have entered into a cross guarantee, which gives a fixed and floating charge over the assets of the UK trading companies of the Group.

The Group estimates the fair value of its loans to be the same as the carrying amount.

## 21. CONTINGENT CONSIDERATION

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	£'000	£'000
Deferred consideration brought forward	564	690
Adjustment to deferred consideration	(5)	(126)
Payment of deferred consideration	(559)	-
Deferred consideration carried forward	-	564

## 22. DEFERRED TAX LIABILITY

The following are the major deferred tax liabilities and assets recognised by the Group, and movements thereon during the current and prior year.

	Liabilities		Assets		Total
	Intangible assets	Accelerated capital allowances	Tax losses	Employee benefits	
	£'000	£'000	£'000	£'000	£'000
At 1 January 2012	1,770	36	(295)	-	1,511
Effect of change in tax rate	(136)	-	-	-	(136)
Acquisition of intangible assets	388	-	-	-	388
Charge to income	(343)	(72)	34	-	(381)
At 31 March 2013	1,679	(36)	(261)	-	1,382
Effect of change in tax rate	(70)	-	-	-	(70)
Acquisition of intangible assets	-	-	-	-	-
Charge to income	(222)	(13)	23	-	(212)
At 31 March 2014	1,387	(49)	(238)	-	1,100

Deferred tax assets and liabilities have been offset in both the current and preceding year as the current tax assets and liabilities can be legally offset against each other, and they relate to taxes levied by the same taxation authority or the Group intends to settle its current tax assets and liabilities on a net basis.

At the balance sheet date, the Group has unused tax losses of £7,229,868 (2013: £6,387,444) available for offset against future profits. A deferred tax asset of £238,000 (2013: £294,000) has been recognised in respect of such losses.

## 23. CALLED-UP SHARE CAPITAL

	9p deferred shares Number	1p ordinary shares Number	£'000
<b>Issued share capital at 31 March 2013 and 2014</b>	<b>151,998,453</b>	<b>339,770,953</b>	<b>17,078</b>

At an extraordinary meeting of shareholders on 7 February 2012 members adopted a new set of Articles of Association and also a capital reorganisation.

The Articles of Association have taken advantage of the Companies Act 2006 in which there is no need to have an authorised share capital and therefore nothing is disclosed.

The capital reorganisation took place on the same date and split the issued share capital into two. Deferred shares, holders of which do not have the right to receive notice of any general meeting of the Company or any right to attend, speak or vote at such meeting. The deferred shareholders are not entitled to receive any dividend or other distribution and shall on a return of assets in a winding up of the Company entitle the holders only to the repayment of 1pence in aggregate. The deferred shares are also incapable of transfer and no share certificate will be issued.

## 24. OPERATING LEASE ARRANGEMENTS

Total commitments under non-cancellable leases are as follows:

	Year ended 31 Mar 2014	15 months ended 31 Mar 2013
	Land and Buildings	Land and buildings
	£'000	£'000
<i>Expiry date:</i>		
- within one year	454	454
- between two and five years	741	1,106
- after five years	77	166
	<b>1,272</b>	<b>1,726</b>

## 25. RECONCILIATION OF NET CASH

	At 31 March 2013	Cash flow	Exchange movement	At 31 March 2014
	£'000	£'000	£'000	£'000
Cash at bank and in hand	7,037	(1,711)	(35)	5,291
	<b>7,037</b>	<b>(1,711)</b>	<b>(35)</b>	<b>5,291</b>

# NOTES TO THE FINANCIAL STATEMENTS (CONT.)

## 26. SHARE BASED PAYMENT

### EXECUTIVE SHARE OPTION SCHEME

The Company operates an Unapproved Executive Share Option Scheme under which share options are granted to selected Group employees. All options are settled by physical delivery of shares in exchange for payment of the aggregated option price. The contractual life of each grant is 10 years. No more awards are being made under this scheme.

Grant date	Outstanding options at 1 April 2013	Granted	Lapsed	Outstanding options at 31 March 2014
6 May 2009	2,850,000	-	(750,000)	2,100,000
4 November 2010	2,664,075	-	(720,000)	1,944,075
<b>Total</b>	<b>5,514,075</b>	<b>-</b>	<b>(1,470,000)</b>	<b>4,044,075</b>

All options granted are discretionary (as determined by the Remuneration Committee) and carry a pre-exercise performance condition, requiring the Company's Earnings Per Share achievement during any rolling three year financial performance period to exceed the retail/consumer price index by at least 3%, in aggregate, during the same period. No consideration is received for an award and no grants can be made at an option exercise price per share which is less than the market price at the time of grant.

### EMI SHARE OPTION SCHEME

Grant date	Outstanding options at 1 April 2013	Granted	Lapsed	Outstanding options at 31 March 2014
22 May 2013	-	8,000,000	(2,000,000)	6,000,000
<b>Total</b>	<b>-</b>	<b>8,000,000</b>	<b>(2,000,000)</b>	<b>6,000,000</b>

The options granted on 22 May 2013 were awarded under an EMI scheme. To become exercisable the share price of the Company's share price must be a minimum of 8.5 pence.

The charge based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period represented a non material amount, and therefore no additional charge has been recognised as a result of this modification.

Details of the share options outstanding during the period are as follows.

	Number of Ordinary shares	Weighted average exercise price
At 1 January 2012	6,899,075	10.0p
Lapsed during the year	(1,385,000)	10.0p
At 31 March 2013	5,514,075	10.0p
Granted during the year	8,000,000	5.5p
Lapsed during the year	(3,270,000)	7.4p
<b>At 31 March 2014</b>	<b>10,244,075</b>	<b>5.8p</b>



The following options were outstanding under the Company's Executive Share Option Scheme and EMI scheme as at 31 March 2014.

Granted	Number of Ordinary shares	Exercise price per share (pence)	Exercise Period
<b>Executive Share Option Scheme</b>			
6 May 2009	2,100,000	10.0p	May 2012 - 2019
4 November 2010	1,944,075	10.0p	November 2013 - 2010
	4,044,075		
<b>EMI Share Option Scheme</b>			
22 May 2013	6,000,000	5.5p	May 2016 - 2023
<b>At 31 March 2014</b>	<b>10,244,075</b>		

The options outstanding at the year-end have an exercise price of 5.5p and 10p and a weighted average contractual life of 7.8 years.

The income statement charge in respect of the Executive Share Option Scheme for the year was £7,000 (2013: £20,000).

#### SAVINGS RELATED SHARE OPTION SCHEME

The Company operates a Savings Related Share Option Scheme which facilitates the grant of options to all employees.

This is based on a three to five year share save contract and options may be granted at an option exercise price discounted by up to 20% of the market price at the time of grant. Options are forfeited if the employee leaves the Group on a voluntary basis before the options vest.

Details of the share options outstanding during the year are as follows.

	Number of Ordinary shares	Weighted average exercise price (pence)
At 1 January 2012	652,980	10.5
Lapsed during the year	(587,880)	10.6
At 31 March 2013	65,100	10.0
Lapsed during the year	(65,100)	10.0
<b>At 31 March 2014</b>	<b>-</b>	

There were no outstanding options under the SAYE scheme at the year end.

# COMPANY BALANCE SHEET UNDER UK GAAP

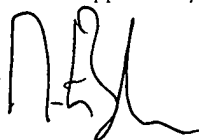
AT 31 MARCH 2014

	Note	Year Ended 31 March 2014	15 Months Ended 31 March 2013
		£'000	£'000
<b>Fixed assets</b>			
Intangible assets	29	1,357	1,357
Tangible fixed assets	30	39	41
Investments	31	22,178	22,179
		<b>23,574</b>	<b>23,577</b>
<b>Current assets</b>			
Debtors	32	5,746	5,268
Cash	33	4,157	5,451
		<b>9,903</b>	<b>10,719</b>
<b>Creditors: Amounts falling due within one year</b>	34	<b>(1,878)</b>	<b>(2,292)</b>
<b>Net current assets</b>		<b>8,025</b>	<b>8,427</b>
<b>Total assets less current liabilities</b>		<b>31,599</b>	<b>32,004</b>
<b>Creditors: Amounts falling due after more than one year</b>	35	<b>(376)</b>	<b>(376)</b>
<b>Provision for liabilities</b>	36	<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>31,223</b>	<b>31,628</b>
<b>Capital and reserves</b>			
Called-up share capital	37	17,078	17,078
Share premium account	38	8,009	8,009
Merger reserve	38	409	409
Profit and loss account	38	5,727	6,132
<b>Equity shareholders' funds</b>	38	<b>31,223</b>	<b>31,628</b>

The accompanying notes form an integral part of this balance sheet.

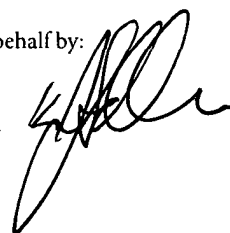
These financial statements were approved by the Board of directors and were signed on its behalf by:

*Martin Beck*  
Chief Executive Officer



8 July 2014

*Keith Sadler*  
Chief Financial Officer



# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONT.)

## DIVIDENDS

Dividends from subsidiary companies are accounted for when payable. Dividends payable to shareholders are recognised when they are approved by the shareholders at the Annual General Meeting. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

## TAX

The charge for taxation is based on the profit for the year. Deferred tax is recognised with discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, as allowed by Financial Reporting Standard 19: "Deferred tax".

## INTANGIBLE ASSETS

Intangible assets represent publishing rights acquired by the Company.

In 2002, the trade and net assets of a subsidiary undertaking were transferred to the Company at their net book value which was less than their fair value. The cost of the Company's investment in that subsidiary undertaking reflected the underlying fair value of its net assets, including intangible assets, at the time of acquisition. As a result of this transfer, the value of the Company's investment in that subsidiary undertaking fell below the amount at which it was stated in the Company's accounting records. Schedule 4 to the Companies Act 1985 that applied at that time required that the investment be written down accordingly and that the amount be charged as a loss in the Company's profit and loss account. However, the directors considered that, as there had been no overall loss to the Company, it would have failed to give a true and fair view to charge that diminution to the Company's profit and loss account for the year ended 31 December 2002 and the amount was re-allocated to the identifiable net assets transferred, so as to recognise in the Company's individual balance sheet the effective cost to the Company of those net assets, including publishing rights. The Group accounts were not affected by this transfer.

In 2006 the Company transferred the trade and net assets of this entity to a different subsidiary undertaking at their book value excluding any amount for the carrying value of publishing rights. As the business no longer exists in the Company, Schedule 4 to the Companies Act 1985 required that these publishing rights be written down accordingly and that the amount be charged as a loss in the Company's profit and loss account. As there was no overall loss to the Company, the directors considered that it would fail to give a true and fair view to charge the amount to the Company's profit and loss account and instead reallocated this amount to the Company's investment in its subsidiaries. The effect of this departure was to increase the Company's fixed asset investments by £4,421,000 and to decrease publishing rights by a corresponding amount.

## TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements:	Over the remaining life of the lease
Equipment, fixtures and fittings:	5 years
IT systems:	3 years

## FIXED ASSET INVESTMENTS

In the Company's financial statements, investments in subsidiary undertakings and participating interests are stated at cost less any provisions for impairment.

## IMPAIRMENT OF FIXED ASSETS AND GOODWILL

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

#### **CALCULATION OF RECOVERABLE AMOUNT**

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

#### **REVERSALS OF IMPAIRMENT**

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount.

For other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS**

Financial assets and financial transactions are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments 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, and includes no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, or, where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and incremental costs directly attributable to the issue, are accounted for on an accruals basis as part of finance expenses in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period that they arise.

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The Company's policy is to provide financial guarantees only to wholly-owned subsidiaries. At 31 March 2014 no guarantees were outstanding (2013: none).

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

## 27. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

### BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under section 408 of the Companies Act 2006, the company is exempt from the requirement to present its own profit and loss account.

The loss after taxation attributable to Dods (Group) PLC for the year and dealt with in the financial statements of the Company was £407,644 (2013: £8,478,031). Under Financial Reporting Standard 1 the Company is exempt from the requirements to prepare a cash flow statement on the grounds that it is included in the consolidated accounts.

The Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries.

The Company has also taken advantage of the exemption in FRS 29 as the disclosure and requirements have been adopted on the Group basis.

### SHARE BASED PAYMENTS

The Company operates a number of equity-settled, share based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Deferred tax is recognised where it is likely that tax relief will be available on the difference between exercise price and market price at the balance sheet date.

Where the Company grants options over its own shares to the employees of its subsidiaries, it recognises a movement in the cost of investment in its subsidiaries equivalent to the equity-settled share based payment charge recognised in its subsidiary's financial statements, with the corresponding movement being recognised directly in equity.

### LEASES

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

### POST RETIREMENT BENEFITS - DEFINED CONTRIBUTION

The Company contributes to independent defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the schemes in respect of the accounting period.

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONT.)

## 28. STAFF COSTS

The average number of persons employed by the Company (including executive directors) during the year within each category was:

	Year Ended 31 March 2014	15 Months Ended 31 March 2013
Managerial and administration staff	8	8

The aggregate payroll costs in respect of these employees (including executive directors) were:

	Year Ended 31 March 2014	15 Months Ended 31 March 2013
	£'000	£'000
Wages and salaries	380	548
Social security costs	47	63
Pension and other costs	67	61
Share based payment charge	4	6
	498	678

Detailed disclosures on Directors' emoluments are given in note 6.

## 29. INTANGIBLE ASSETS

Publishing rights	
	£'000
<b>Cost and Net book value</b>	
At 1 April 2013	1,357
At 31 March 2014	1,357

## 30. TANGIBLE FIXED ASSETS

	Equipment and improvements	Motor vehicles	Software	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 April 2013	74	44	-	118
Additions	-	-	15	15
<b>At 31 March 2014</b>	<b>74</b>	<b>44</b>	<b>15</b>	<b>133</b>
<b>Depreciation</b>				
At 1 April 2013	33	44	-	77
Charge for the period	12	-	5	17
<b>At 31 March 2014</b>	<b>45</b>	<b>44</b>	<b>5</b>	<b>94</b>
<b>Net book value</b>				
At 1 April 2013	41	-	-	41
<b>At 31 March 2014</b>	<b>29</b>	<b>-</b>	<b>10</b>	<b>39</b>

**31. FIXED ASSET INVESTMENTS**

	Subsidiary undertakings	Total
Cost	£'000	£'000
At 1 April 2013	27,789	27,789
<b>At 31 March 2014</b>	<b>27,789</b>	<b>27,789</b>

Detailed disclosures on subsidiary undertakings are given in note 15. Detailed share based payments disclosures are given in note 26.

**32. DEBTORS**

	Year Ended 31 March 2014	15 Months Ended 31 March 2013
	£'000	£'000
Amounts owed by group undertakings	5,736	5,252
Other debtors	5	8
Deferred tax asset	(18)	(17)
Prepayments and accrued income	23	25
	<b>5,746</b>	<b>5,268</b>

The elements of deferred tax are as follows:

	Year Ended 31 March 2014	15 Months Ended 31 March 2013
	£'000	£'000
Accelerated capital allowances	75	67
Tax losses	(238)	(260)
Undiscounted deferred tax liability	(163)	(193)
Effect of discounting	181	210
Discounted deferred liability	<b>18</b>	<b>17</b>

Movements in deferred tax for the year are set out below:

	£'000
At 1 April 2013	(17)
Charge to the profit and loss account	(1)
<b>At 31 March 2014</b>	<b>(18)</b>

**33. CASH AND CASH EQUIVALENTS**

	Year Ended 31 March 2014	15 Months Ended 31 March 2013
	£'000	£'000
Cash and cash equivalents	<b>4,157</b>	<b>5,451</b>

# NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONT.)

## 34. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended 31 March 2014	15 Months Ended 31 March 2013
	£'000	£'000
Trade creditors	6	317
Amounts owed to group undertakings	1,758	1,745
Other creditors including tax and social security	(43)	16
Accruals and deferred income	157	214
	<b>1,878</b>	<b>2,292</b>

## 35. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Year Ended 31 March 2014	15 Months Ended 31 March 2013
	£'000	£'000
Amounts owed to group undertakings	<b>376</b>	<b>376</b>

## 36. PROVISION FOR LIABILITIES

	£'000
At 1 April 2013	-
Charge to the profit and loss account	(50)
Utilised	50
At 31 March 2014	-

Provision for liabilities relates to non-trading items as described in note 4.

## 37. SHARE CAPITAL

	9p deferred shares	1p ordinary shares	
	Number	Number	£'000
Issued share capital at 31 March 2013 and 2014	<b>151,998,453</b>	<b>339,770,953</b>	<b>17,078</b>



**38. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS****Company**

	Share Capital	Share premium	Merger reserve	Profit and loss account	Total
	£'000	£'000	£'000	£'000	£'000
At 1 April 2013	17,078	8,009	409	6,132	31,628
Loss for the year	-	-	-	(409)	(409)
Share based payment charge	-	-	-	4	4
<b>At 31 March 2014</b>	<b>17,078</b>	<b>8,009</b>	<b>409</b>	<b>5,727</b>	<b>31,223</b>

**39. OPERATING LEASE ARRANGEMENTS**

Total commitments under non-cancellable leases are as follows:

	Year Ended 31 March 2014	15 Months Ended 31 March 2013
	Land and buildings	Land and buildings
	£'000	£'000
Expiry date:		
- within one year	355	355
- between two and five years	532	887
	<b>887</b>	<b>1,242</b>

# SCHEDULE A

## RECONCILIATION BETWEEN OPERATING PROFIT AND NON-STATUTORY PERFORMANCE MEASURE

The following tables reconcile operating profit as stated in the income statement to EBITDA, a non-statutory measure which the Directors believe is a useful measure in assessing the performance of the Group.

EBITDA is defined by the Directors as being earnings before interest, tax, depreciation, amortisation of assets acquired through business combinations, and non-trading items.

### Year ended 31 March 2014

	Operating profit/(loss)	Depreciation*	Amortisation of intangible assets	Non-trading** items	EBITDA
	£'000	£'000	£'000	£'000	£'000
Political	(654)	1,010	1,026	435	1,817
Head Office	(798)	16	-	50	(732)
<b>Results from continuing operations</b>	<b>(1,452)</b>	<b>1,026</b>	<b>1,026</b>	<b>485</b>	<b>1,085</b>

### 15 months ended 31 March 2013

	Operating profit/(loss)	Depreciation*	Amortisation and Impairment of intangible assets	Non-trading** Items	EBITDA
	£'000	£'000	£'000	£'000	£'000
Political	(9,030)	1,095	8,116	1,095	1,276
Head Office	(1,537)	16	-	623	(898)
<b>Results from continuing operations</b>	<b>(10,567)</b>	<b>1,111</b>	<b>8,116</b>	<b>1,718</b>	<b>378</b>

\*including amortisation of software shown within intangibles.

\*\* including share based payments charges/(credits) and profit on disposal of subsidiary undertaking.

# SHAREHOLDER INFORMATION

## SHAREHOLDER ANALYSIS

As at 30 June 2014, the number of registered shareholders was 777 and the number of Ordinary shares in issue was 339,770,953.

Range of Holdings	Number of Shareholders	Percentage of Top Shareholders	Number of Shares (million)	Percentage of Total Shares
1 to 1,500	331	42.5%	224,361.00	0.1%
1,501 to 5,000	182	23.4%	530,556.00	0.2%
5,001 to 10,000	70	9.0%	535,649.00	0.2%
10,001 to 50,000	98	12.6%	2,180,982.00	0.6%
50,001 to 100,000	27	3.5%	1,951,473.00	0.6%
100,001 to 250,000	24	3.1%	3,875,720.00	1.1%
250,001 to 500,000	8	1.0%	2,954,391.00	0.9%
500,001 to 1,000,000	14	1.8%	10,588,396.00	3.1%
1,000,001 to 2,500,000	15	1.9%	23,214,084.00	6.8%
2,500,001 to 5,000,000	2	0.3%	6,804,420.00	2.0%
5,000,001 to highest	6	0.8%	286,910,921.00	84.4%
<b>Total</b>	<b>777</b>	<b>99.9%</b>	<b>339,770,953.00</b>	<b>100.0%</b>

### Held By:

<b>Individuals</b>	621	79.9%	163,722,153.00	48.2%
<b>Institutions and Companies</b>	156	20.1%	176,048,800.00	51.8%
<b>Total</b>	<b>777</b>	<b>100.0%</b>	<b>339,770,953.00</b>	<b>100.0%</b>

## COMPANY REGISTRAR

Equiniti provide a range of shareholder information on-line. You can check your holding and find practical help on transferring shares and updating your personal details at [www.sharereview.co.uk](http://www.sharereview.co.uk). Equiniti may also be contacted on 0871 384 2639 (calls to this number are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary), or by writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZL.

## SHARE DEALING SERVICE

An internet and telephone share dealing service is operated by the Company's registrar, Equiniti, enabling shareholders to buy and sell Dods (Group) PLC Ordinary shares on the London Stock Exchange. Shareholders who are interested in using these services should visit [www.sharereview.co.uk](http://www.sharereview.co.uk) or telephone +44 (0) 845 603 737.

## UNSOLICITED MAIL

The Company is required by law to make its share register available upon request to the public and organisations which may use it as a mailing list resulting in shareholders receiving unsolicited mail. Shareholders wishing to limit the receipt of such mail should write to the Mailing Preference Service, DMA House, 70 Margaret Street, London W1W 8SS.

# **SHAREHOLDER INFORMATION (CONT.)**

## **SHAREGIFT**

Shareholders, who hold only a small number of shares, where dealing costs make it uneconomic to sell them, may wish to consider donating them to charity through ShareGift, a registered charity administered by The Orr Mackintosh Foundation. The relevant share transfer form can be obtained from their website [www.sharegift.org](http://www.sharegift.org) or by writing to ShareGift, 5 Lower Grosvenor Place, London SW1W 0EJ, or by telephoning +44 (0)20 7828 1151.

## **DIVIDEND PAYMENTS TO MANDATED ACCOUNTS**

Where shareholders have given instruction for future dividends to be paid directly to a bank or building society account, this is done via the Bankers Automated Clearing System (BACS). This facility provides an immediate access to funds, without the inconvenience of waiting for postal delivery or having personally to visit a bank.

## **ANNUAL GENERAL MEETING**

The Annual General Meeting of the Company will be held on 25 September 2014 at the Group's London offices 21 Dartmouth Street, London, SW1H 9BP at 2.30pm. A separate circular, comprising a Letter from the Non-Executive Chairman, Notice of Meeting, Explanation of Special Business and a reply-paid Form of Proxy, accompanies this document.

# CORPORATE DIRECTORY

## **DODS PARLIAMENTARY COMMUNICATIONS LIMITED**

21 Dartmouth Street Westminster  
London SW1H 9BP

Tel: +44 (0) 20 7593 5500  
Fax: +44 (0) 20 7593 5501  
[www.dods.co.uk](http://www.dods.co.uk)  
[www.epolitix.com](http://www.epolitix.com)  
[www.civilservicelive.com](http://www.civilservicelive.com)

## **HUVEAUX POLITIQUE**

314 Bureaux de la Colline,  
1 rue Roayale, 92213 Saint-Cloud  
cedex, France

Tel: +33 1 55 62 68 00  
Fax: +33 1 55 62 69 56  
[www.trombinoscope.com](http://www.trombinoscope.com)

## **DPC BRUSSELS**

7th Floor, Rue du Trone 60,  
Bruxelles 1050, Belgium

Tel: +32 2 741 8201  
Fax: +32 2 285 0823  
[www.theparliament.com](http://www.theparliament.com)

## **FENMAN LIMITED**

Unit 2, e-space North  
181 Wisbech Road Littleport  
Cambridgeshire CB6 1RA

Tel: +44 (0) 1353 865350  
Fax: +44 (0) 1353 865351  
[www.fenman.co.uk](http://www.fenman.co.uk)  
[www.trainingjournal.com](http://www.trainingjournal.com)

## **HOLYROOD COMMUNICATIONS LIMITED**

14-16 Holyrood Road,  
Edinburgh, EH8 8AF

Tel: +44 (0)131 272 3112  
Fax: +44 (0) 131 270 7089.  
[www.holyrood.com](http://www.holyrood.com)

# SECRETARY AND ADVISORS

## **SECRETARY** Keith Sadler

## **REGISTERED OFFICE**

21 Dartmouth Street  
Westminster  
London SW1H 9BP

Tel: +44 (0) 20 7593 5500  
Fax: +44 (0) 20 7593 5794

Email: [info@dodsgroupplc.com](mailto:info@dodsgroupplc.com)  
[www.dodsgroupplc.com](http://www.dodsgroupplc.com)

## **REGISTERED NUMBER** 04267888

## **REGISTRAR**

Equiniti Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA

Tel: +44 0871 384 2639

(calls to this number are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary)

[www.equiniti.co.uk](http://www.equiniti.co.uk)

## **AUDITORS**

Grant Thornton UK LLP  
Grant Thornton House,  
Melton House, Euston Square,  
London, NW1 2EP.

## **CORPORATE FINANCIAL ADVISORS**

## **NOMAD AND BROKER**

Cenkos Securities plc  
6.7.8 Tokenhouse Yard  
London EC2R 7AS  
Tel: +44 (0) 207 397 8900  
[www.cenkos.com](http://www.cenkos.com)

## **BANKERS**

Lloyds Banking Group

## **LEGAL ADVISORS**

Brabners LLP  
Manchester Office,  
55 King Street,  
Manchester, M2 4LQ

# DODS (GROUP) PLC KEY PRODUCTS AND SERVICES

WE HAVE BUILT AND ACQUIRED A QUALITY PORTFOLIO OF MARKET-LEADING BRANDS, PRODUCTS AND SERVICES ACROSS EACH OF OUR SELECTED GROWTH MARKETS. WE SERVE THE PRIVATE AND PUBLIC SECTORS THROUGH A COMBINATION OF DELIVERY MEDIA, INCLUDING PRINT (MAGAZINES, DIRECTORIES, NEWSLETTERS AND BOOKS) DIGITAL (WEBSITES, MONITORING AND DATABASES), SEMINARS, CONFERENCES, EVENTS AND AWARDS.

## MAGAZINES, DIRECTORIES, NEWSLETTERS AND BOOKS

- Dods Parliamentary Companion
- Dods Civil Service Companion
- Who's Who in Public Affairs
- European Public Affairs Directory
- Vacher's Parliamentary Profiles
- Vacher's Quarterly
- Dods Constituency Guide
- Dods Handbook of House of Commons Procedure
- Dods Handbook of House of Lords Procedure
- The House Magazine
- Civil Service World
- Public Affairs News
- The Parliament Magazine
- The Regional Review
- The Research Review
- Trombinoscope Parlement,
- Gouvernement & Institutions
- Trombinoscope Régions, Départements & Communes
- Trombinoscope de la Santé
- Trombinoscope Union européenne
- Le Trombinoscope de poche « Cabinets Ministériels »
- La Lettre du Trombinoscope Training Journal

## DIGITAL

- [www.dodspeople.com](http://www.dodspeople.com)
- [www.epolitix.com](http://www.epolitix.com)
- [www.civilservicenetwork.com](http://www.civilservicenetwork.com)
- [www.electus-group.com](http://www.electus-group.com)
- [www.theparliament.com](http://www.theparliament.com)
- [www.trombinoscope.com](http://www.trombinoscope.com)
- Dods UK Monitoring
- Dods European Monitoring
- [www.traineractive.com](http://www.traineractive.com)
- [www.trainingjournal.com](http://www.trainingjournal.com)

## SEMINARS, CONFERENCES & EVENTS

- Dods Party Conference Fringe Events
- Dods Round Tables
- Dods Blue Skies Events
- Civil Service World
- Civil Service Conference Series (including – The Coming Year in Parliament)
- Civil Service World Civil Service Roundtables
- Civil Service Live
- Civil Service Live – Regional Events
- Westminster Briefing
- Westminster Explained
- Training Journal – Westminster Briefing
- Training Journal Learning & Development 20:20
- Master Workshops for Trainers
- Training Journal Seminars
- Training Journal Annual Conference

## AWARDS

- Woman in Public Life Awards
- Charity Champion Awards
- House Magazine Parliamentary Awards
- House Magazine Parliamentary Researcher of the Year Awards
- MEP Awards
- European Public Affairs Awards
- Public Affairs News Awards
- Civil Service Awards
- Diversity & Equality Awards
- Prix Trombinoscope de l'Homme Politique de l'année
- TJ'S Annual Industry Best Practice Awards

## OTHER RECRUITMENT

- Electus Network Search Electus Advertised Selection
- Electus Executive Search Electus Freelance/ Interim Management

## POLLING

- Dods Polling Dods European Polling

## TRAINING MATERIALS

- Training DVDs and Games Training
- Manuals Assessment Tools