Wilmington plc

2014

Wilmington Group plc
Interim Report

for the six months ended
31 December 2014

Stock Code: WIL

Turning knowledge into advantage

Wilmington plc

Wilmington focuses on four key knowledge areas, Risk & Compliance, Finance, Legal and Insight. Our information, education and networking opportunities enable clients to transform their business.

Reasons to Invest

- High proportion of subscription and repeatable revenues
- High conversion of operating profits into cash
- Strong positions in well-funded professional markets
- Increasing international opportunities
- Emphasis on organic growth
- Clear vision and focus

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Investor website

Our corporate website at **www.wilmingtonplc.com** contains a wide range of information of interest to institutional and private investors including:

- Latest news and press releases
- Annual Reports and investor presentations

Chairman's Statement

I am pleased to present my report on Wilmington's results for the six months ended 31 December 2014. It has been a very encouraging first half of our financial year providing a good platform from which to implement our new vision and strategy for the business. This new vision underpins our ambitions and both the Board and our management team are excited and energised about the opportunities to drive Wilmington to the next stage in its development.

During the first six months, Wilmington has performed well with revenue up £2.9m (7%) to £46.1m and adjusted EBITA[1] up 11% to £9.1m (2013: 8.2m). On an organic (constant currency) basis revenue was up 8% and adjusted EBITA up by 14%.

The stronger relative growth from our higher margin businesses, combined with the tight control of overheads has resulted in an improvement of 80 bpts in Adjusted EBITA Margin[2] to 19.8% (2013: 19.0%). The growth in Adjusted EBITA combined with a reduced interest charge translated into Adjusted Profit before Tax[3] up a pleasing 14% (£1.0m) to £8.1m (2013: £7.1m).

The first half year was very successful overall, with stronger growth reported from our larger and highest margin division, Risk & Compliance, supported by contribution from our Finance division. The Insight division performed well recording both revenue and margin growth. As previously indicated we had continued to experience challenging trading conditions in our Legal division. As a result, we saw some underlying revenue decline, albeit at a slower rate than before. However we did see improvements in the division's operating margins (up from 7% to 9%) and an increase of £0.1m in its contribution. This improvement reflects the changes made earlier in the year to the management teams and repositioned client offerings.

Business strategy

As announced in December 2014 after an in-depth review of its assets and the market opportunities, Wilmington is evolving its business to a knowledge-based model and structure. This structure will maximise Wilmington's opportunities in helping its clients in turn meet their information, education and networking requirements.

Vision

The vision which will act as our guide and underpin our strategy is:

"To be the recognised knowledge leader and partner of choice for information, education and networking in Risk & Compliance, Finance and Legal as well as the Insight leader in a number of chosen industries."

We have re-organised our businesses into four distinct knowledge centres, appointed four Divisional Directors to spearhead their progress and agreed ambitious but achievable objectives. We have also allocated dedicated resources to support the implementation of our new strategy to ensure we have the personnel, support and systems we need.

Branding and name change

To reflect the new vision and as part of our branding and development as a unified business we are seeking to change the name of the company to Wilmington plc. This name change should be completed by the end of March 2015 subject to clearance by regulatory authorities[4].

1. Adjusted EBITA – see note 5
2. Adjusted EBITA Margin – Adjusted EBITA divided by Revenue
3. Adjusted Profit before Tax – see note 5
4. The name change was completed and cleared by regulatory authorities on 27 February 2015.

Chairman's Statement

This new focus, together with a new group website, group portal, rebranding and vision will help Wilmington create a more compelling offering through a knowledge-based model underpinned by an evolving portfolio of world class digital products and services. The promotion of a stronger, unified Wilmington brand will bring together its market leading positions, other brands and will emphasise Wilmington as an integrated business.

This branding and focus will also better inform our clients about our range of expertise and breadth of coverage which will in turn enhance our market positions in the UK. This will also drive further international expansion, developing an integrated organisation supported by best in class technology and exceptional talent.

Divisional management and people

I am pleased to report that we have appointed three internal candidates: Bill Howarth, Andrea Ward, and Mark Solon to the Divisional Director positions in the Risk & Compliance, Finance and Legal divisions respectively. We have also recruited and appointed Richard Adams (previously MD of Doctors.net and Senior VP of Sabre Holdings) to head up our Insight division.

As a digital information, education and networking business operating in dynamic and competitive markets, we are fundamentally reliant on the quality and professionalism of our people. I would once again like to express my own and my fellow Board members' appreciation of the hard work and dedication of them all.

Financial objectives

We will continue to maintain a high proportion of our revenue derived from quality and sustainable income streams. In this six month period revenue from subscriptions and repeatable revenue were largely maintained at 76% of Group revenue (2013: 77%). In addition, we will actively seek to increase our income streams from outside the UK where we see good prospects for long term sustainable growth in many of the major professional markets we operate in. Revenue outside the UK has grown again and was 38% of total revenue compared to 35% last year as we continue to internationalise the business.

These financial objectives have been reflected in our portfolio of businesses with a significant proportion of revenues derived from subscriptions to products which disseminate content-rich, high-value information digitally along with certificated education and compliance programmes.

Wilmington has been very acquisitive in the past and the Group will continue to review opportunities to add additional growth and expertise through bolt on acquisitions as appropriate. In the near term, the Board's focus is on completing the implementation of our new strategy and vision and maximising the organic opportunities we can see for growing operational and financial returns.

Board changes

As reported in December 2014 Neil Smith decided to step down from the Board as Chief Operating Officer with effect from 31 December 2014. We wish him well in his career outside Wilmington and thank him for his contribution to our success in his 17 years with the Group.

Balance sheet

Net debt, which includes cash and cash equivalents, bank loans (excluding capitalised facility fees) and bank overdrafts increased by £0.9m to £34.6m (30 June 2014: £33.7m). The Group typically sees a small outflow of working capital in the first six months of the year and this was reflected in the small increase in net debt.

Group net debt at 31 December 2014 represented just over half of our debt facility of £65m. This facility is due for renewal in February 2016 and we will commence the refinancing exercise in March this year.

Dividend

I am proud of the Group's record of maintaining its dividend over recent years and the resumption last year of a progressive dividend reflects our improving financial performance. The policy remains the same and underpins our confidence in the new vision and resilience of our business models. I am pleased to confirm that the interim dividend for this year will be increased again to 3.7p (2013: 3.6p) per share, an increase of 3% on last year. It is the Board's intention to maintain its progressive dividend policy whilst ensuring that suitable dividend cover is maintained.

The interim dividend of 3.7p per share will be paid on 2 April 2015 to shareholders on the share register as at 13 March 2015.

Capital markets day

On 7 July 2015 we intend to showcase our new divisions, their respective products and services and our progress at a Capital Markets day for investors and analysts.

Outlook and current trading

I am pleased to report that trading continues in line with our expectations. We are seeing tighter regulatory control and more complex legislation implemented in most of our key markets and we remain confident that these changes will continue to drive the demand for our products and services globally.

The Group has articulated its vision and ambition and is well positioned to move to the next stage in its development. We continue to widen our geographical presence, strengthen our back office and operational management teams and invest in new strategic systems including our new group portal. The business continues to offer good opportunities for us to generate attractive returns over the long term.

We are on target to deliver further growth in the full year, in line with our expectations and underpinned by the strong momentum in the Risk & Compliance and Finance divisions.

Business Review

As announced in December 2014, we now manage and report our business by reference to four knowledge-based divisions: Risk & Compliance, Finance, Legal and Insight. We are therefore presenting and commenting on our financial performance by reference to these new divisional structures.

Chairman's Statement

Risk & Compliance (36% of Group revenue, 49% of Group contribution[5])

This division provides in depth regulatory and compliance accredited training and information, market intelligence, and analysis. It focuses on the international financial services and international insurance markets as well as the UK pensions industry and contains our International Compliance Training (ICT), Axco, Pendragon, ICP, Compliance Week and Inese businesses. The main users of our offerings are risk and compliance officers globally. This is an area which has demonstrated strong organic growth which should be enhanced as we combine the various opportunities into an integrated offering.

	2014 £'m	2013 £'m	Movement £'m	%
Revenue	**16.8**	14.6	2.2	15
Contribution	**5.3**	4.8	0.5	9
Margin %	**32**	33		

Divisional revenue increased £2.2m (15%) and 16% on an underlying constant currency basis adjusted for the acquisition of Compliance Week. Our compliance businesses grew 37% in the first six months propelled by strong demand for face to face accredited training, particularly from tier 1 international banks where we continued to secure major training programmes. We have also seen increases in our public courses, again driven by demand for accredited compliance training.

Axco the industry leading provider of insurance market intelligence, regulation and compliance information reported 4% constant currency revenue growth helped by the continued success of its new digital subscription products although its analytics and data services had a slow first six months. Axco has just completed the roll out of new insight products which will enhance our analytical insurance offerings.

5. Group contribution of £10,779k (2013: £9,773k) — see note 6

Pendragon which provides compliance information and workflow tools for the UK pensions markets maintained its market leading position and recorded steady growth of 1%. We are progressing well on the new pension legislation platform, "New Perspectives" which has seen strong interest from existing and potential new clients.

ICP which provides company credit reports aimed at credit risk managers had a record year last year but has seen a decrease in demand for credit reports, particularly in the Middle East, resulting in a small revenue decline of 6%.

Compliance Week our US risk and compliance events and information business acquired in August 2013 recorded revenue of £1.4m (in constant currency £1.5m) compared to last year's 4.5 month contribution of £1.2m. The second European compliance conference held in Brussels in October 2014 performed well and provided a natural showcase for other group offerings servicing the increasing demand for risk and compliance products and services.

Inese our leading insurance information and events business serving the Spanish Insurance market and, increasingly, clients in South American markets was up 2% in constant currency terms.

Overall divisional contribution increased by 9% to £5.3m (2013: £4.8m) and 13% ahead on an underlying constant currency basis adjusted for the acquisition of Compliance Week. Margins were down a little as expected from 33% to 32% reflecting inter alia the effect of currency on Axco's reported revenue, investment in infrastructure for our ICT compliance training business to support its revenue growth and the related change in mix with a higher proportion of revenue from our (lower margin) compliance training.

Finance (22% of Group revenue, 21% of Group contribution)

This division includes Wilmington's financial training businesses. The consolidated offerings of its finance areas should drive good revenue growth as well as exploit growing international markets. The Finance division provides expert and technical training and support services to professionals in corporate finance and capital markets and to qualified accountants in the UK in both the profession and industry. This division serves primarily tier 1 banks, the international financial services industry, and professional accountancy firms.

	2014 £'m	2013 £'m	Movement £'m	%
Revenue	**10.0**	9.1	0.9	10
Contribution	**2.3**	2.0	0.3	11
Margin %	**23**	22		

The division continued its strong revenue growth with an increase of £0.9m (10%) compared to 2013. Adjusting for adverse currency movements, the underlying growth was 12%. Growth drivers included strong demand from tier 1 banks for face to face graduate induction training, and from face to face training demands from professional accountants particularly around the new UK GAAP changes.

AMT which forms an important part of the Division and delivers most of its revenue and contribution in the summer months had another good start and benefited from its new e-training platforms and content initiatives. AMT continues to win market share in a competitive market based on its reputation for "best in class" bespoke training and heavy investment in its e-delivery and support systems. Revenue which was adversely affected by currency movements in the period grew by 12%. Due to the predominately sterling cost base contribution increased by 9%

Mercia had an excellent first six months trading as well as acquiring and integrating a small accountancy training business. It has also undergone a seamless change in senior management whilst continuing to trade well in a competitive and challenging market. Reported contribution was up a pleasing £0.1m in the period.

Overall divisional contribution was 11% ahead of last year at £2.3m (2013: £2.0m) and 15% ahead on an underlying constant currency basis. Margins were up to 23% from 22%.

Legal (17% of Group revenue, 6% of Group contribution)

The Legal division provides a range of training, professional support services and information including Continuing Legal Education, expert witness training, databases and magazines to legal professionals.

	2014 £'m	2013 £'m	Movement £'m	%
Revenue	**7.9**	8.4	(0.5)	(6)
Contribution	**0.7**	0.6	0.1	18
Margin %	**9**	7		

The division saw revenue reduce by 6% (£0.5m). This reduction reflects the challenging market conditions previously reported surrounding reduced demand for face to face training and the proposed change to the Legal profession's CPD rules. Our response has been to change the management team, to continue to rationalise our conference and course programmes to reflect the structural changes in the market and to look at ways of integrating the various businesses and brands. We have also commenced development of our networking and resource platform for the legal industry. There were, however areas of the legal market showing continued growth including Bond Solon, our witness familiarisation business, which saw revenue grow by 3%.

Chairman's Statement

The new legal division management team and structure are bedding down well and despite the market conditions the division improved its contribution by 18% to £0.7m (2013: £0.6m) and 19% on an underlying constant currency basis. Margins increased from 7% in 2013 to 9%.

Insight (25% of Group revenue, 24% of Group contribution)

The Insight division provides analysis and clarity to customer-focused organisations, enabling them to better understand and connect with their markets. This division includes our UK healthcare information businesses, our French language medical news agency, our data suppression and charity information businesses.

	2014 £'m	2013 £'m	Movement £'m	%
Revenue	**11.4**	11.0	0.4	4
Contribution	**2.6**	2.3	0.3	11
Margin %	**23**	21		

Revenue was up 4% (£0.4m) and, adjusting for adverse currency movements was up 5% compared to 2013. Healthcare which makes up a large proportion of this division had faced challenging market conditions over the last few years. To some extent the conditions have eased recently reflected in good growth from our HSC data sales and from NHiS (up 33% albeit compared to a weak 2013). NHiS is seeing more traction from one off assignments which focus on offering more analyst led insightful information albeit at lower margins. We also saw good revenue growth from a new business we set up to explore the provision of healthcare data and market intelligence to the Indian healthcare market.

The data suppression and charities businesses were largely flat in revenue terms compared to last year as expected and the focus was on delivering higher margins through ongoing reorganisation and the review of marginal business operations.

Benefiting from the focus on operational efficiencies, and the growth from our healthcare business, overall divisional contribution increased by 11% (£0.3m) to £2.6m (2013: £2.3m) and 13% on an underlying constant currency basis.

Financial Review

	2014 £'m	2013 £'m	Movement £'m	%
Revenue	**46.1**	43.1	3	7
Adjusted EBITA	**9.1**	8.2	0.9	11
Adjusted EBITA Margin %	**19.8**	19.0		

Revenue

Revenue for the six months to 31 December 2014 increased by £3.0m to £46.1m (2013: £43.1m). On an organic basis (excluding the impact of acquisitions and foreign exchange) underlying revenue was up 8%.

Net operating expenses

Net operating expenses, excluding adjusting items, were £37.0m (2013: £34.9m) up 6%.

Group overheads

Group overheads, which include Board costs, head office salaries as well as unallocated central overheads, remained steady at £1.6m (2013: £1.6m).

Adjusting items

Reference is made in this financial review to adjusted results. Adjusted results in the opinion of the Directors provide a more comparable indication of the Group's underlying financial performance and exclude adjusting items set out in note 5.

Adjusting items of £0.7m (2013: £0.2m) include £0.5m of loss of office compensation to former director Neil Smith and £0.4m to costs associated with the new vision, including re-organisation of staff and rebranding. Offsetting this is £0.2m in respect of a reduction in the estimated deferred consideration liability for NHiS. We anticipate further costs associated with the new vision of up to £0.5m in this financial year.

Amortisation of intangible assets

Amortisation of intangible assets (excluding computer software) increased to £3.0m from £2.8m, reflecting a full six months of amortisation of Compliance Week acquired in August 2013.

Net finance costs

Net finance costs, which consist of interest payable and bank charges, were down 9% to £1.0m from £1.1m. Net debt in the six months to 31 December 2014 ended at £34.6m compared to £40.3m at the end of December 2013.

Share-based payments

These increased by £0.2m to £0.6m (2013: £0.4m) reflecting the compensation for loss of office to a former director.

Taxation

Taxation decreased by £0.1m (10%) to £0.9m from £1.0m.The decrease in the tax expense is due to larger deferred tax credits in 2014 and a reduction to UK corporation tax rates.

The underlying tax rate which ignores the tax effects of adjusting items decreased from 25.5% to 23.7%. This reduction reflects inter alia the reduction in UK corporation tax rates during the year.

Operating profit

Operating profit was down 2% at £4.7m from £4.8m in 2013. Adjusted EBITA was up £0.9m (11%) at £9.1m (2013: £8.2m), offset by an increase in adjusting items of £0.9m. Adjusted EBITA margins were up 80 bpts to 19.8% (2013 19.0%).

Profit before taxation

Profit before taxation was level at £3.7m. Adjusted Profit before Tax increased by 14% (£1.0m) to £8.1m from £7.1m.

Earnings per share

Adjusted Basic Earnings per Share[6] increased by 15% to 7.17p (2013: 6.22p). Basic earnings per share increased to 3.20p from 3.07p and diluted earnings per share increased to 3.15p from 2.98p.

Goodwill

Goodwill increased by £0.3m to £77.2m due to exchange rate movements in the period.

Intangible assets

Intangible assets declined by £2.4m reflecting amortisation, offset by £0.4m from acquisitions made in the year and other additions, mainly IT, of £0.8m.

Property, plant and equipment

Property, plant and equipment increased by £0.1m to £5.8m reflecting additions to tangible fixed assets of £0.5m (2013: £0.4m) offset by depreciation, disposals and the effects of exchange rate movements.

6. Adjusted Basic Earnings per Share – see note 11.

Chairman's Statement

Trade and other receivables

Trade receivables within trade and other receivables increased by £1.6m compared to 31 December 2013 reflecting higher trading activity.

Trade and other payables

Trade and other payables which include deferred income were up £1.0m compared to 31 December 2013 reflecting the increase in deferred income and increased trading activity in the period.

Subscriptions and deferred income, which represents revenue received in advance increased by 4% from £19.2m in 2013 to £20.1m.

Net debt

Net debt, which includes cash and cash equivalents, bank loans (excluding capitalised facility fees) and bank overdrafts, was £34.6m (30 June 2014: £33.7m) an increase of £0.9m. Cash conversion which was up slightly at 79% (31 December 2013: 76%) contributed to a small cash outflow in the period. Net debt at 31 December represented just over half of our debt and overdraft facility of £65m.

Treasury shares

During the year 0.4m shares were reissued in settlement of shares vesting under the Group's profit share plan and share option scheme. This resulted in a transfer to share capital at the weighted average cost of shares held in treasury. A further 0.4m new ordinary shares of £0.05 each were also issued under this scheme.

Dividend

It is the Board's intention to pay a progressive dividend whilst ensuring a cover of at least two times the Group's adjusted earnings per share over the dividend per share in respect of the year. An interim dividend of 3.7p per share (December 2013: 3.6p) will be paid on 2 April 2015 to shareholders on the register as at 13 March 2015.

Mark Asplin
Chairman

Consolidated Income Statement

	Note	Six months ended 31 December 2014 (unaudited) Adjusted results (note 5) £'000	Adjusting items (note 7) £'000	Statutory results £'000	Six months ended 31 December 2013 (unaudited) Adjusted results (note 5) £'000	Adjusting items (note 7) £'000	Statutory results £'000	Year ended 30 June 2014 (audited) Statutory results £'000
Continuing operations								
Revenue	6	**46,085**	**–**	**46,085**	43,147	–	43,147	90,024
Net operating expenses		**(36,954)**	**(727)**	**(37,681)**	(34,929)	(200)	(35,129)	(72,084)
Amortisation		**–**	**(3,038)**	**(3,038)**	–	(2,805)	(2,805)	(6,286)
Share-based payments		**–**	**(634)**	**(634)**	–	(429)	(429)	(924)
Operating profit		**9,131**	**(4,399)**	**4,732**	8,218	(3,434)	4,784	10,730
Net finance costs	8	**(1,024)**	**–**	**(1,024)**	(1,094)	(22)	(1,116)	(2,138)
Profit before tax		**8,107**	**(4,399)**	**3,708**	7,124	(3,456)	3,668	8,592
Taxation	9			**(876)**			(992)	(2,034)
Profit for the period				**2,832**			2,676	6,558
Attributable to:								
Owners of the parent				**2,759**			2,618	6,485
Non-controlling interests				**73**			58	73
				2,832			2,676	6,558
Earnings per share attributable to the owners of the parent:								
Basic (p)	11			**3.20**			3.07	7.59
Diluted (p)	11			**3.15**			2.98	7.39
Adjusted earnings per share attributable to the owners of the parent:								
Basic (p)	11	**7.17**			6.22			14.79
Diluted (p)	11	**7.06**			6.04			14.40

The notes on pages 14 to 26 are an integral part of these consolidated financial statements.

All items in the current and comparative periods relate to continuing activities.

Consolidated Statement of Comprehensive Income

	Six months ended 31 December 2014 (unaudited) £'000	Six months ended 31 December 2013 (unaudited) £'000	Twelve months ended 30 June 2014 (audited) £'000
Profit for the period	**2,832**	2,676	6,558
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to the Income Statement			
Net fair value movements on interest rate swap	**6**	252	381
Currency translation differences	**575**	(89)	(1,001)
Net investment hedge	**(232)**	(135)	497
Other comprehensive income/(expense) for the period, net of tax	**349**	28	(123)
Total comprehensive income for the period	**3,181**	2,704	6,435
Total comprehensive income for the period attributable to:			
Owners of the parent	**3,108**	2,646	6,362
Non-controlling interests	**73**	58	73
	3,181	2,704	6,435

Items in the statement above are disclosed net of tax. The notes on pages 14 to 26 are an integral part of these financial statements.

Consolidated Balance Sheet

	Note	**31 December 2014 (unaudited) £'000**	31 December 2013 (unaudited) £'000	30 June 2014 (audited) £'000
Non-current assets				
Goodwill	12	**77,196**	76,966	76,855
Intangible assets	12	**26,324**	32,042	28,746
Property, plant and equipment	12	**5,757**	5,743	5,727
Deferred tax asset		**548**	591	562
		109,825	115,342	111,890
Current assets				
Trade and other receivables	13	**23,251**	22,127	22,389
Derivative financial assets		**–**	149	37
Cash and cash equivalents		**7,998**	8,077	5,020
		31,249	30,353	27,446
Total assets		**141,074**	145,695	139,336
Current liabilities				
Trade and other payables	14	**(38,692)**	(37,707)	(40,635)
Current tax liabilities		**(1,077)**	(1,144)	(1,333)
Deferred consideration – cash-settled		**–**	(330)	(343)
Derivative financial liabilities		**(315)**	–	(78)
Borrowings	15	**(2,232)**	(298)	(642)
Provision for future purchase of non-controlling interests		**–**	(46)	–
		(42,316)	(39,525)	(43,031)
Non-current liabilities				
Borrowings	15	**(40,078)**	(47,705)	(37,673)
Deferred consideration – equity-settled		**(482)**	(619)	(728)
Derivative financial liabilities		**(562)**	(777)	(490)
Deferred tax liability		**(4,124)**	(5,184)	(4,670)
Provision for future purchase of non-controlling interests		**(100)**	(146)	(100)
		(45,346)	(54,431)	(43,661)
Total liabilities		**(87,662)**	(93,956)	(86,692)
Net assets		**53,412**	51,739	52,644
Equity				
Share capital	16	**4,325**	4,305	4,305
Share premium	16	**45,225**	45,231	45,231
Treasury shares	16	**(96)**	(878)	(878)
Translation reserve		**(367)**	(30)	(942)
Share based payments reserve		**875**	696	911
Retained earnings		**3,230**	2,238	3,782
Equity attributable to owners of the parent		**53,192**	51,562	52,409
Non-controlling interests		**220**	177	235
Total equity		**53,412**	51,739	52,644

The notes on pages 14 to 26 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Equity attributable to shareholders of the parent						
	Share capital (note 16) £'000	Share-based payment reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
At 1 July 2013 (audited)	**47,180**	**1,560**	**59**	**2,770**	**51,569**	**145**	**51,714**
Profit for the period	–	–	–	2,618	2,618	58	2,676
Other comprehensive income for the period	–	–	(89)	117	28	–	28
	47,180	1,560	(30)	5,505	54,215	203	54,418
Dividends	–	–	–	(2,974)	(2,974)	(26)	(3,000)
Share-based payments	–	225	–	41	266	–	266
Reissue of treasury shares	1,478	(1,089)		(334)	55	–	55
At 31 December 2013 (unaudited)	48,658	696	(30)	2,238	51,562	177	51,739
Profit for the period	–	–	–	3,867	3,867	15	3,882
Other comprehensive income for the period	–	–	(912)	761	(151)	–	(151)
	48,658	696	(942)	6,866	55,278	192	55,470
Dividends	–	–	–	(3,084)	(3,084)	–	(3,084)
Share-based payments	–	215	–	–	215	–	215
Movements in non-controlling interests	–	–	–	–	–	52	52
Movements in offset of provision for the future purchase of non-controlling interests	–	–	–	–	–	(9)	(9)
At 30 June 2014 (audited)	48,658	911	(942)	3,782	52,409	235	52,644
Profit for the period	–	–	–	2,759	2,759	73	2,832
Other comprehensive income for the period	–	–	575	(226)	349	–	349
	48,658	911	(367)	6,315	55,517	308	55,825
Dividends	–	–	–	(3,082)	(3,082)	(88)	(3,170)
Issue of share capital	14	–	–	(20)	(6)	–	(6)
Share-based payments	–	575	–	–	575	–	575
Reissue of treasury shares	782	(611)	–	(173)	(2)	–	(2)
Deferred tax on share-based payments	–	–	–	190	190	–	190
At 31 December 2014 (unaudited)	**49,454**	**875**	**(367)**	**3,230**	**53,192**	**220**	**53,412**

The notes on pages 14 to 26 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

	Note	**Six months ended 31 December 2014 (unaudited) £'000**	Six months ended 31 December 2013 (unaudited) £'000	Year ended 30 June 2014 (audited) £'000
Cash flows from operating activities				
Cash generated from operations before adjusting items	17	**7,188**	6,211	20,204
Cash flows for adjusting items – operating activities		**(280)**	–	(372)
Cash flows for adjusting items – share-based payments		**(230)**	(358)	(358)
Cash generated from operations		**6,678**	5,853	19,474
Net finance costs paid		**(914)**	(859)	(1,863)
Tax paid		**(1,475)**	(1,690)	(3,285)
Net cash generated from operating activities		**4,289**	3,304	14,326
Cash flows from investing activities				
Purchase of businesses		**(173)**	(7,342)	(7,342)
Deferred consideration paid		**(343)**	(168)	(168)
Purchase of non-controlling interests		**–**	–	(58)
Cash flows for adjusting items – investing activities		**–**	(200)	(267)
Purchase of property, plant and equipment		**(548)**	(407)	(883)
Proceeds from disposal of property, plant and equipment		**–**	710	710
Purchase of intangible assets		**(867)**	(228)	(955)
Net cash used in investing activities		**(1,931)**	(7,635)	(8,963)
Cash flows from financing activities				
Dividends paid to owners of the parent		**(3,082)**	(2,974)	(6,058)
Dividends paid to non-controlling interests		**(88)**	(26)	(26)
Share issuance costs		**(6)**	–	–
Reissue of treasury shares		**–**	55	55
Increase/(decrease) in bank loans		**2,000**	8,562	(1,748)
Net cash (used)/generated from financing activities		**(1,176)**	5,617	(7,777)
Net increase/(decrease) in cash and cash equivalents, net of bank overdrafts		**1,182**	1,286	(2,414)
Cash and cash equivalents, net of bank overdrafts, at beginning of the period		**4,378**	6,913	6,913
Exchange gains/(losses) on cash and cash equivalents		**206**	(20)	(121)
Cash and cash equivalents, net of bank overdrafts, at end of the period		**5,766**	8,179	4,378
Reconciliation of net debt				
Cash and cash equivalents at beginning of the period		**5,020**	7,803	7,803
Bank overdrafts at beginning of the period	15	**(642)**	(890)	(890)
Bank loans at beginning of the period	15	**(38,041)**	(40,286)	(40,286)
Net debt at beginning of the period		**(33,663)**	(33,373)	(33,373)
Net increase/(decrease) in cash and cash equivalents (net of bank overdrafts)		**1,388**	1,266	(2,535)
Net (drawdown)/repayment in bank loans		**(2,000)**	(8,562)	1,505
Exchange (loss)/gain on bank loans		**(294)**	331	740
Cash and cash equivalents at end of the period		**7,998**	8,077	5,020
Bank overdrafts at end of the period	15	**(2,232)**	(298)	(642)
Bank loans at end of the period	15	**(40,335)**	(48,117)	(38,041)
Net debt at end of the period		**(34,569)**	(40,338)	(33,663)

The notes on pages 14 to 26 are an integral part of these consolidated financial statements.

Notes to the Financial Results

General information

The Company is a public limited company incorporated and domiciled in the UK. The address of its registered office is 6-14 Underwood Street, London N1 7JQ. The Company has its primary listing on the London Stock Exchange. The Company is the knowledge leader and partner of choice for information, education and networking in the Risk & Compliance, Finance and Legal areas; as well as the Insight leader in a number of chosen industries.

This condensed consolidated interim financial information ("Interim Information") was approved for issue on 24 February 2015.

The Interim Information is neither reviewed nor audited and does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2014 were approved by the Board of Directors on 17 September 2014. The report of the Auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

1. Basis of preparation

This Interim Information for the six months ended 31 December 2014 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and in accordance with IAS 34 "Interim financial reporting" as adopted by the European Union. The Interim Information should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2014 which have been prepared in accordance with IFRSs as adopted by the European Union, and are available on the Group's website wilmingtonplc.com.

Going concern

The Group's forecast and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate well within the level of its current banking facilities. The Directors have therefore adopted a going concern basis in preparing the Interim Information. Negotiations with external lenders will commence in April 2015, in advance of the expiry of the existing facility on February 2016.

2. Accounting policies

The accounting policies applied are consistent with those of the Annual Financial Statements for the year ended 30 June 2014, as described in those Annual Financial Statements. The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2014 but are either not relevant to the Group or do not have a significant impact:

- IFRS 10 "Consolidated Financial Statements";
- IFRS 11 "Joint arrangements";
- IFRS 12 "Disclosure of interests in other entities";
- IAS 27 "Separate Financial Statements";
- IAS 28 "Investments in associates and joint ventures";

2. Accounting policies continued

- Amendments to IFRS 10,11 and 12 on transition guidance (effective 1 January 2013) (endorsed 1 January 2014);
- Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities (effective 1 January 2014;
- Amendments to IAS 32 on Financial instruments asset and liability offsetting (effective 1 January 2014);
- Amendment to IAS 36, ‘Impairment of assets’ on recoverable amount disclosures (effective 1 January 2014);
- Amendment to IAS 39 ‘Financial instruments: Recognition and measurement’, on novation of derivatives and hedge accounting (effective 1 January 2014); and
- IFRIC 21, ‘Levies’ (effective 1 January 2014) (endorsed 17 June 2014).

The following new standards and amendments to standards have been issued but are not yet effective for the purposes of the Interim Report and have not been early adopted:

- Amendment to IAS 19, Employee benefits on defined benefit plans;
- Annual improvements to IFRSs 2010–2012 Cycle; and
- Annual improvements to IFRSs 2011–2013 Cycle.

3. Principal risks and uncertainties

The principal business risks that affect the Group are as stated on pages 30 to 32 of Our Performance in the Annual Report and Financial Statements for the year ended 30 June 2014. The main financial risks that affect the Group are:

(a) Liquidity and capital risk

The Group has an unsecured committed bank facility of £65m (2013: £65m) to February 2016. The facility currently comprises a revolving credit facility of £60m (2013: £60m) and an overdraft facility of £5m (2013: £5m). At 31 December 2014, £40m (2013: £48m) of the revolving credit facility was drawn down. The bank overdrafts are the subject of a Group set-off arrangement.

The Group met the requirements of the bank facility financial covenants throughout the period.

(b) Interest rate risk

The Group finances its operations through a mixture of retained profits, operational cash flow and external debt. Historically the Group has expanded its operations both organically and by acquisition, which has led on occasions to the need for external finance.

The Group financing arrangements include external debt that is subject to a variable interest rate. The Group is consequently exposed to cash flow volatility arising from fluctuations in market interest rates applicable to that external finance. Interest is charged on the £40m (2013: £48m) amount drawn down on the revolving credit facility at a rate of between 2.00% and 2.75% above LIBOR depending upon leverage. Cash flow volatility therefore arises from movements in the LIBOR interest rates.

Notes to the Financial Results

3. Principal risks and uncertainties continued

In November 2010, the Group entered into a 5-year £15m interest rate swap derivative, fixed against 3-month LIBOR, paying interest on £15m at a fixed rate of 2.68%. This derivative has been designated as a cash flow hedge in order to manage interest rate risk associated with the first £15m of the credit facility. Payments received under the swap has been matched against interest paid quarterly during the period and the entire mark to market gain/(loss) on the derivative has been recognised in Other comprehensive income, following the Directors' assessment of the hedge's effectiveness.

(c) Foreign currency risk

Risk

The currency of the primary economic environment in which the Group operates is GBP, and this is also the currency in which the Group presents its financial statements. However, the Group has significant EUR and USD cash flows arising from international trading and overseas operations. The Group is consequently exposed to cash flow volatility arising from fluctuations in the applicable exchange rates for converting EUR and USD to GBP.

Group policy

The Group policy is to fix the exchange rate in relation to a periodically reassessed set percentage of expected EUR and USD net cash inflows arising from international trading, by entering into foreign currency contracts to sell a specified amount of EUR or USD on a specified future date at a specified exchange rate. This set percentage is approved by the Board as part of the budgeting process and upon the acquisition of foreign operations. The Group uses forward currency contract derivatives to meet this policy.

The Group policy is to finance investments in overseas operations from borrowings in the local currency of the relevant operation, so as to achieve a natural hedge of the foreign currency translation risk. This natural hedge is designated as a net investment hedge for accounting purposes.

Risk management arrangements

The following forward contracts entered into in order to provide certainty in GBP terms of 80% of the Group's expected net USD and EUR income are outstanding at the period end:

- On 12 June 2014, the Group sold $3.0m to 31 March 2015 at a rate of 1.6785; and
- On 16 June 2014, the Group sold $3.5m to 29 May 2015 at a rate of 1.6911.

4. Financial instruments and risk management

The methods and assumptions used to estimate the fair values of financial assets and liabilities are as follows:

- The carrying amount of trade receivables and payables approximates to fair value due to the short maturity of the amounts receivable and payable.
- The fair value of the Group's borrowings is estimated on the basis of the discounted value of future cash flows using approximate discount rates in effect at the balance sheet date.
- The fair value of the Group's outstanding interest rate swaps, foreign exchange contracts and put options for non-controlling interest are estimated using discounted cash flow models and market rates of interest and foreign exchange at the balance sheet date.

Financial instruments are measured at fair value via a valuation method. The different levels have been defined as:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

The group has recognised a level 2 financial liability of £315,000 for foreign exchange trading derivatives at fair value through income or expense. In addition the group has recognised a level 2 financial liability of £562,000 for an interest rate swap at fair value through other comprehensive income or expense. The group has no recognised level 1 or level 3 assets or liabilities.

5. Measures of profit

To provide shareholders with a better understanding of the trading performance of the Group, Adjusted Profit before Tax has been calculated as Profit before Tax after adding back:

- amortisation of intangible assets – publishing rights, titles and benefits;
- impairment of goodwill;
- unwinding of the discount on the provisions for the future purchase of non-controlling interests and deferred consideration;
- share-based payments; and
- other adjusting items.

Notes to the Financial Results

5. Measures of profit continued

Adjusted Profit before Tax, Adjusted EBITA and Adjusted EBITDA reconcile to profit on continuing activities before tax as follows:

	Six months ended 31 December 2014 (unaudited) £'000	Six months ended 31 December 2013 (unaudited) £'000	Twelve months ended 30 June 2014 (audited) £'000
Profit before tax	**3,708**	3,668	8,592
Amortisation of intangible assets – publishing rights, titles and benefits	**3,038**	2,805	6,286
Unwinding of the discounts	**–**	22	39
Share-based payments	**634**	429	924
Other adjusting items	**727**	200	764
Adjusted Profit before Tax	**8,107**	7,124	16,605
Net finance costs (excluding the unwinding of the discounts)	**1,024**	1,094	2,099
Adjusted operating profit ('Adjusted EBITA')	**9,131**	8,218	18,704
Depreciation of property, plant and equipment	**588**	484	1,025
Amortisation of intangible assets – computer software	**685**	433	816
Adjusted EBITA before depreciation ('Adjusted EBITDA')	**10,404**	9,135	20,545

6. Segmental information

In accordance with IFRS 8 the Group's operating segments are based on the figures reviewed by the Board, which represents the chief operating decision maker.

The Group now reports its results in four segments as this more accurately reflects the way the Group is now being managed. There is no change to any of the Group's accounting policies and there is no restatement of either revenues or profitability, other than this revised segmentation by the four operating segment headings.

The Group's organisational structure reflects the different professional markets to which it provides information, compliance and education. The four new professional divisions (Risk & Compliance, Finance, Legal and Insight) are the Group's segments and generate all of the Group's revenue.

The Board considers the business from both a geographic and product perspective. Geographically, management considers the performance of the Group between the UK and overseas.

6. Segmental information continued

(a) Business segments

	Six months ended 31 December 2014 (unaudited)		Six months ended 31 December 2013 (unaudited)		Twelve months ended 30 June 2014 (audited)	
	Revenue £'000	**Contribution £'000**	Revenue £'000	Contribution £'000	Revenue £'000	Contribution £'000
Risk & Compliance	**16,771**	**5,282**	14,636	4,842	32,354	10,669
Finance	**9,983**	**2,250**	9,075	2,036	17,034	3,715
Legal	**7,896**	**678**	8,398	577	17,371	2,268
Insight	**11,435**	**2,569**	11,038	2,318	23,265	5,318
	46,085	**10,779**	43,147	9,773	90,024	21,970
Unallocated central overheads	**–**	**(1,648)**	–	(1,555)	–	(3,266)
	46,085	**9,131**	43,147	8,218	90,024	18,704
Amortisation of intangible assets – publishing rights, titles and benefits		**(3,038)**		(2,805)		(6,286)
Share-based payments		**(634)**		(429)		(924)
Other adjusting items		**(727)**		(200)		(764)
Net finance costs		**(1,024)**		(1,116)		(2,138)
Profit before tax		**3,708**		3,668		8,592
Taxation		**(876)**		(992)		(2,034)
Profit for the financial year		**2,832**		2,676		6,558

(b) Segmental information by geography

The UK is the Group's country of domicile and the Group generates the majority of its revenue from external customers in the UK. The geographical analysis of revenue is on the basis of the country of origin in which the customer is invoiced:

	Six months ended 31 December 2014 (unaudited) £'000	Six months ended 31 December 2013 (unaudited) £'000	Twelve months ended 30 June 2014 (audited) £'000
UK	**28,573**	27,983	57,135
Europe (excluding the UK)	**7,834**	7,057	15,060
North America	**5,991**	5,058	10,467
Rest of the World	**3,687**	3,049	7,362
Total revenue	**46,085**	43,147	90,024

Notes to the Financial Results

7. Adjusting items

The following items have been charged/(credited) to profit or loss during the year but are of an unusual nature, size or incidence and so are shown separately:

	Six months ended 31 December 2014 (unaudited) £'000	Six months ended 31 December 2013 (unaudited) £'000	Twelve months ended 30 June 2014 (audited) £'000
Costs written off relating to both successful and aborted acquisitions	**–**	200	380
Restructuring and rationalisation costs	**420**	–	275
Compensation for loss of office	**500**	–	–
(Decrease)/increase in liability for deferred consideration	**(193)**	–	109
Other adjusting items (included in operating expenses)	**727**	200	764
Amortisation of intangible assets – publishing rights, titles and benefits	**3,038**	2,805	6,286
Share-based payments	**634**	429	924
Total adjusting items (classified in operating profit)	**4,399**	3,434	7,974
Unwinding of discount on the provisions for the future purchase of non-controlling interests and deferred consideration	**–**	22	39
Total adjusting items (classified in profit before tax)	**4,399**	3,456	8,013

Compensation for loss of office relates to Neil Smith, a former director, who left the business on 31 December 2014.

8. Net finance costs

	Six months ended 31 December 2014 (unaudited) £'000	Six months ended 31 December 2013 (unaudited) £'000	Twelve months ended 30 June 2014 (audited) £'000
Finance income comprises:			
Bank interest receivable	**2**	2	–
Finance costs comprise:			
Interest payable on bank loans and overdrafts	**(792)**	(872)	(1,718)
Facility fees	**(113)**	(100)	(213)
Amortisation of capitalised loan arrangement fees	**(121)**	(124)	(168)
Unwinding of the discount on the provision for the future purchase of non-controlling interests and deferred consideration	**–**	(22)	(39)
	(1,024)	(1,116)	(2,138)

9. Taxation

	Six months ended 31 December 2014 (unaudited) £'000	Six months ended 31 December 2013 (unaudited) £'000	Twelve months ended 30 June 2014 (audited) £'000
Current tax:			
UK corporation tax at current rates on profits for the period	**1,107**	864	2,036
Adjustments in respect of previous years	**–**	(28)	(64)
	1,107	836	1,972
Foreign tax:	**425**	473	1,045
Adjustments in respect of previous years	**–**	(9)	(47)
Total current tax	**1,532**	1,300	2,970
Deferred tax:			
Deferred tax credit	**(558)**	(52)	(458)
Adjustments to deferred tax in respect of previous years	**–**	4	11
Effect on deferred tax of change in corporation tax rate	**(98)**	(260)	(489)
Total deferred tax	**(656)**	(308)	(936)
Taxation	**876**	992	2,034

10. Dividends

Distributions to owners of the parent in the period:

	Six months ended 31 December 2014 pence per share (unaudited)	Six months ended 31 December 2013 pence per share (unaudited)	Twelve months ended 30 June 2014 pence per share (audited)	Six months ended 31 December 2014 £'000 (unaudited)	Six months ended 31 December 2013 £'000 (unaudited)	Twelve months ended 30 June 2014 £'000 (audited)
Final dividends recognised as distributions in the year	**3.7**	3.5	3.5	**3,082**	2,974	2,974
Interim dividends recognised as distributions in the year	**–**	–	3.6	**–**	–	3,084
Total dividends paid in the period				**3,082**	2,974	6,058
Interim dividend proposed	**3.7**	3.6	3.7	**3,200**	3,084	3,170

Notes to the Financial Results

11. Earnings per share

Adjusted earnings per share has been calculated using adjusted earnings calculated as profit after tax and non-controlling interests but before:

- amortisation of publishing rights, titles and benefits;
- unwinding of the discount on the provision for the future purchase of non-controlling interests and deferred consideration;
- share-based payments; and
- other adjusting items.

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended 31 December 2014 (unaudited) £'000	Six months ended 31 December 2013 (unaudited) £'000	Twelve months ended 30 June 2014 (audited) £'000
Earnings from continuing operations for the purpose of basic earnings per share	**2,759**	2,618	6,485
Add/(remove):			
Amortisation of intangible assets – publishing rights, titles and benefits	**3,038**	2,805	6,286
Other adjusting items	**727**	200	764
Share-based payments	**634**	429	924
Unwinding of the discount on the provisions for the future purchase of non-controlling interests and deferred consideration	**–**	22	39
Tax effect of adjustments above	**(972)**	(773)	(1,868)
Adjusted earnings for the purposes of adjusted earnings per share	**6,186**	5,301	12,630

	Number	Number	Number
Weighted average number of ordinary shares for the purpose of basic and adjusted earnings per share	**86,232,406**	85,251,725	85,408,893
Effect of dilutive potential ordinary shares:			
Future exercise of share awards	**1,158,012**	2,292,566	1,950,638
Deferred consideration to be settled by equity	**221,917**	257,648	372,855
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**87,612,335**	87,801,939	87,732,386
Basic earnings per share	**3.20p**	3.07p	7.59p
Diluted earnings per share	**3.15p**	2.98p	7.39p
Adjusted basic earnings per share ("Adjusted earnings per share")	**7.17p**	6.22p	14.79p
Adjusted diluted earnings per share	**7.06p**	6.04p	14.40p

12. Goodwill, Intangible assets and Property, plant and equipment

	Goodwill £'000	Intangible assets £'000	Property, plant and equipment £'000
At 1 July 2013 (audited)	73,282	31,493	5,909
Additions	60	228	407
Acquisitions	3,965	3,965	–
Disposals	–	(48)	(21)
Exchange translation differences	(341)	(358)	(68)
Depreciation of property, plant and equipment	–	–	(484)
Amortisation of publishing rights, titles and benefits	–	(2,805)	–
Amortisation of computer software	–	(433)	–
Closing net book amount as at 31 December 2013 (unaudited)	76,966	32,042	5,743
Additions	–	727	476
Disposals	–	–	(13)
Exchange translation differences	(102)	(159)	62
Depreciation of property, plant and equipment	–	–	(541)
Amortisation of publishing rights, titles and benefits	–	(3,481)	–
Amortisation of computer software	–	(383)	–
Movement in offset of provision for the future purchase of non-controlling interests	(9)	–	–
Closing net book amount as at 30 June 2014 (audited)	76,855	28,746	5,727
Acquisitions	–	380	–
Additions	–	867	548
Disposals	–	(11)	(34)
Exchange translation differences	341	65	104
Depreciation of property, plant and equipment	–	–	(588)
Amortisation of publishing rights, titles and benefits	–	(3,038)	–
Amortisation of computer software	–	(685)	–
Closing net book amount as at 31 December 2014 (unaudited)	77,196	26,324	5,757

Notes to the Financial Results

13. Trade and other receivables

	31 December 2014 (unaudited) £'000	31 December 2013 (unaudited) £'000	30 June 2014 (audited) £'000
Trade receivables	**19,863**	18,275	17,917
Other receivables	**1,153**	1,585	2,230
Prepayments and accrued income	**2,235**	2,267	2,242
	23,251	22,127	22,389

14. Trade and other payables

	31 December 2014 (unaudited) £'000	31 December 2013 (unaudited) £'000	30 June 2014 (audited) £'000
Trade payables	**3,761**	4,092	3,429
Other payables	**1,441**	2,775	2,233
Social security and other taxes	**2,629**	2,676	3,746
Subscriptions and deferred revenue	**20,079**	19,227	19,591
Accruals	**10,782**	8,937	11,636
	38,692	37,707	40,635

15. Borrowings

	31 December 2014 £'000 (unaudited)	31 December 2013 £'000 (unaudited)	30 June 2013 £'000 (audited)
Current liability			
Bank overdrafts	**2,232**	298	642
Non-current liability			
Bank loans	**40,335**	48,117	38,041
Facility fees	**(257)**	(412)	(368)
Bank loans net of facility fees	**40,078**	47,705	37,673

Details of the Group's bank facilities are set out in note 3(a).

16. Share capital

	Number of ordinary shares of 5p each	Ordinary shares £'000	Share premium account £'000	Treasury shares £'000	Total £'000
At 1 July 2013 (audited)	86,103,137	4,305	45,231	(2,356)	47,180
Treasury shares reissued during the period	–	–	–	1,478	1,478
At 31 December 2013 (unaudited) and 30 June 2014 (audited)	86,103,137	4,305	45,231	(878)	48,658
Shares issued	404,324	20	(6)	–	14
Treasury shares reissued during the period	–	–	–	782	782
At 31 December 2014 (unaudited)	86,507,461	4,325	45,225	(96)	49,454

On 19 September 2014 404,324 ordinary shares were issued and 379,006 treasury shares were reissued in respect of the vesting of the 2011 PSP Share Awards to employees (including Directors).

At 31 December 2014, 46,584 shares (2013: 425,590) were held in Treasury, which represents 0.1% (2013: 0.5%) of the called up share capital of the Company.

17. Cash generated from operations

	Six months ended 31 December 2014 (unaudited) £'000	Six months ended 31 December 2013 (unaudited) £'000	Year ended 30 June 2014 (audited) £'000
Profit from continuing operations before income tax	**3,708**	3,668	8,592
Cash flows from other adjusting items	**727**	200	764
Depreciation of property, plant and equipment	**588**	484	1,025
Amortisation of intangible assets	**3,723**	3,238	7,102
Loss/(profit) on disposal of property, plant and equipment and intangibles	**45**	(19)	34
Share-based payments (including social security costs)	**634**	429	924
Net finance costs	**1,024**	1,116	2,138
Operating cash flows before movements in working capital	**10,449**	9,116	20,579
Increase in receivables	**(862)**	(155)	(452)
(Decrease)/increase in payables	**(2,399)**	(2,750)	77
Cash generated from operations before adjusting items	**7,188**	6,211	20,204

17. Cash generated from operations continued

Cash conversion is calculated as a percentage of cash generated by operations to Adjusted EBITA as follows:

	Six months ended 31 December 2014 (unaudited) £'000	Six months ended 31 December 2013 (unaudited) £'000	Year ended 30 June 2014 (audited) £'000
Funds from operations before adjusting items:			
Adjusted EBITA (see note 5)	**9,131**	8,218	18,704
Amortisation of intangible assets – computer software	**685**	433	816
Depreciation of property, plant and equipment	**588**	484	1,025
Loss/(profit) on disposal of property, plant and equipment and intangibles	**45**	(19)	34
Operating cash before movements in working capital	**10,449**	9,116	20,579
Net working capital movement	**(3,261)**	(2,905)	(375)
Funds from operations before adjusting items	**7,188**	6,211	20,204
Cash conversion	**79%**	76%	108%

18. Related party transactions

Certain purchasing facilities are offered to the non-wholly owned subsidiary undertakings in the Group. The costs associated with these purchasing facilities are recharged in full. During the period the ultimate parent company received dividends of £88,000 (2013: £26,000) from non-wholly owned subsidiary undertakings in the Group.

19. Seasonality

The Group has traditionally generated the majority of its revenues and profits during the second half of the financial year. This has historically resulted from three factors. Firstly, most of the Group's businesses (the notable exception being AMT) produce seasonally low sales in July, August and December which include holiday periods for many of the Group's clients. Secondly, Inese and Compliance Week, have major annual events in the second half of the year. Thirdly, the publishing businesses produce a number of annual directory and database products, most of which are published in the second half of the financial year. The migration over recent years of much of this revenue to the online products has resulted in a corresponding reduction in the seasonality of this revenue.

Statement of Directors' Responsibilities

The Directors confirm that, to the best of their knowledge, the Interim Information has been prepared in accordance with International Accounting Standard 34 Interim financial reporting as adopted by the European Union. The Interim Management Report includes a fair review of the Interim Information and, as required by DTR 4.2.7R and DTR 4.2.8R, the following information:

- an indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- disclosure of material related party transactions that have taken place in the first six months of the current financial year and of any material changes in the related party transactions described in the last Annual Report and Financial Statements.

The Directors of Wilmington Group plc are listed in the Wilmington Group plc Annual Report for 30 June 2014. A list of current Directors is maintained on the Wilmington Group plc website: wilmingtonplc.com.

By order of the Board

Anthony M Foye
Chief Financial Officer
24 February 2015

Officers

Directors:

Mark Asplin
Non-executive Chairman

Pedro Ros
Chief Executive Officer

Anthony Foye
Chief Financial Officer

Charles Brady
Executive Director

Derek Carter
Senior independent
Non-executive Director

Terry Garthwaite
Non-executive Director

Nathalie Schwarz
Non-executive Director

Company Secretary:

Linda Wake

Registered Office:
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Company Registration No. 3015847

Wilmington plc

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