Wilmington plc

Turning knowledge into advantage

2015

Wilmington plc
Interim Report

for the six months ended 31 December 2015

Stock Code: WIL

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

Contents

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 2015.

Wilmington has made a solid start to the new financial year recording good revenue and profit growth with notably strong growth coming from the Finance division. As previously reported, this growth was offset by continued declining revenues from parts of the Legal division and by a mixed start from Insight. Our Risk & Compliance division continued to grow solidly despite a very strong comparator period.

Overall revenue grew £3.3m (7%) to £49.4m (2014: £46.1m) and Adjusted EBITA grew £0.6m (7%) to £9.7m (2014: £9.1m). In underlying terms adjusting for the acquisition of Financial Research Associates ('FRA') which was acquired on 6 July 2015, and the disposal of the Media businesses on 31 July 2015, revenue was up by 2% and Adjusted EBITA was up by 5% (£0.4m). FRA contributed £2.9m to revenue in the period.

EBITA margins at 19.7% were broadly flat on 2014 (19.8%) reflecting the impact of lower first half margins from FRA which historically has had a greater second half year weighting in both revenue and contribution terms. Adjusting for FRA and the Media businesses underlying margins again showed further improvement up 70 basis points ('bpts') to 20.5% (2014: 19.8%).

We have again reduced finance costs which include interest charges and associated costs, reflecting the benefits of the recent £65m loan refinancing exercise in July 2015 and Wilmington's strong cash flow. Finance costs were down 22% (£0.2m) to £0.8m despite the initial consideration of £8.4m paid on the acquisition of FRA during the period. Net debt at the end of December 2015 was £36.6m, up by only £2.0m on 31 December 2014 (£34.6m), and is a testament to the strong operational cash flow of the business.

The growth in Adjusted EBITA combined with reduced finance costs translated into Adjusted Profit before Tax up 10% (£0.8m) to £8.9m (2014: £8.1m).

Business Vision and Strategy

Our vision which acts as our guide and underpins 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'.

Wilmington operates a knowledge-based model and structure increasingly focussed on engaging key communities. This structure will maximise Wilmington's opportunities to help its clients to meet their information, education and networking requirements. The enhanced focus is reflected in the disposal of certain media assets from its Insight division, and in the acquisitions of FRA and JMH Publishing Limited (trading as 'Wellards'). The acquisition means we now have information, education and networking capabilities for all four of our knowledge areas.

Wilmington is actively investing both organically and through acquisition in the areas we see as providing the greatest potential in terms of profitable long term growth: risk and compliance, finance and healthcare. In particular we are looking at ways to leverage our existing technology, promote our stronger established brands, increase our international footprint and develop in markets that we see as offering sustainable growth opportunities.

Chairman's Statement

Acquisitions

Wilmington acquired Financial Research Associates ('FRA'), a leading US conference and networking provider of specialist events in healthcare and finance, on 6 July 2015 for an initial consideration of $13.0m (£8.4m). The maximum consideration is up to $20.6m (£13.2m) depending on the achievement of challenging revenue and performance targets over a two year term. The acquisition of FRA is consistent with our strict investment criteria and enhances our networking capabilities in Finance and Insight.

On 18 January 2016 Wilmington acquired JMH Publishing Limited, a leading UK provider of specialist and accredited online education for the healthcare industry which owns the respected trading brand 'Wellards', for net cash consideration of £3.9m. This acquisition provides education capability to our Insight division.

Wellards, established in 1990, is based in Kent, England and provides the industry standard for effective and comprehensive NHS information and training. Wellards runs over 70 online courses with over 25,000 registered users servicing the needs of UK pharmaceutical and Medtech commercial staff. This addition is consistent with Wilmington's strategy of acquiring complementary businesses with high repeat revenues (70% of its revenue is subscription based with over 90% renewal rates) and strong, cash generative income streams in Wilmington's key communities.

Wilmington has been acquisitive in the past and we will continue to review opportunities to enhance growth and to add expertise through selective earnings enhancing acquisitions consistent with our strategy.

Financial objectives

We monitor eight key financial and operational objectives including: Adjusted EBITA, Profit before Tax, Operating Margin, Earnings per Share, Free Cash Flow, Cash Conversion, Return on Equity and consistent and repeatable revenue streams. We will continue to maintain a high proportion of our revenue derived from consistent and repeatable revenue streams and in this six month period revenue from subscriptions and repeatable revenue were 76% of Group turnover (2014: 76%). 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 from outside the UK has continued to increase and now represents 42% of total revenue compared to 38% last year.

Board Changes

As reported in September 2015, Paul Dollman joined the Board as a Non-Executive Director on 16 September 2015 and succeeded Terry Garthwaite as Chairman of the Audit Committee in November 2015. As announced on 17 December 2015, Charles Brady retired from the Board of Wilmington plc on 31 December 2015 after 16 years as a Director of the Company.

Our People

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 all our people.

Balance Sheet

Net debt, which includes cash and cash equivalents, bank loans and bank overdrafts, was £36.6m (2014: £34.6m) an increase of £2.0m. Strong underlying operating profits and good cash conversion have offset the acquisition of FRA and helped towards the relatively low debt increase. Cash conversion was up at 85% in the first six months, (2014: 79%) in what is a traditionally weaker period in the financial year.

Group net debt at 31 December 2015 represented just over half of our debt and overdraft facility of £65m. This facility was extended on 1 July 2015 for five years on more beneficial terms.

Dividend

I am proud of the Group's record of maintaining its dividend over the recent years and the resumption in 2013/14 of a progressive dividend. The progressive dividend policy remains and reflects our confidence in the vision and resilience of our business models. I am pleased to confirm that the interim dividend for this year will be 3.8p (2014: 3.7p) per share, an increase of 3% on last year. It is the Board's intention to maintain its progressive dividend policy whilst ensuring that a suitable dividend cover of at least two times Adjusted Earnings per Share compared to the dividend per share is maintained.

The interim dividend of 3.8p per share will be paid on 7 April 2016 to shareholders on the share register as at 18 March 2016.

Outlook and Current Trading

The new financial year has started solidly. We continue to see tighter regulatory control and more complex legislation implemented in many of our key markets which in turn continues 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 and capitalise on the many opportunities that are presenting themselves both organically and via acquisition. The board will continue to review opportunities to add additional growth and expertise through selective earnings enhancing acquisitions consistent with our strategy.

As we move into the second half, we are on target to deliver another good set of results for the full year, in line with our expectations.

Mark Asplin
Chairman

Chief Executive Officer's Review

Business Review

Wilmington manages and reports its business by reference to four knowledge-based divisions; Risk & Compliance, Finance, Legal and Insight. The recent acquisition of FRA contributes to both the Finance and Insight divisions.

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

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'), International Compliance Association ('ICA'), Axco, Pendragon, International Company Profile ('ICP'), Compliance Week and Inese businesses. The main community that uses our offerings are Risk and Compliance officers globally. This is an area which has demonstrated strong underlying organic growth which should be enhanced as we combine the various opportunities into an integrated offering. It also has the highest exposure to International markets of all our divisions.

	2015	2014	Movement	
	£'m	£'m	£'m	%
Revenue	**17.6**	16.8	0.8	5
Contribution	**5.6**	5.3	0.3	6
Margin %	**32**	32		

Divisional revenue grew £0.8m (5%) and by 5% on a constant currency basis.

Our compliance public courses, aimed at Compliance professionals in many industries and geographies, grew by 30%, and our online training revenue grew by over 50% (albeit from a relatively small base). This continued strong performance reflects general demand for accredited compliance training and qualifications supplied globally by ICT and ICA respectively. ICT provides accredited training programmes in anti-money laundering, compliance and financial crime and has developed compliance training programmes in the Banking, Oil & Gas, Pharmaceuticals, Betting and Gaming sectors. This increase in public courses and online training was offset by fewer large one off induction assignments which had driven the strong comparator period last year.

ICA is also relaunching its professional membership services in April 2016, adding more content, networking events and other professional support services to compliance professionals to capitalise on the increasing international demand for membership.

Growth in compliance continues to be constrained to some extent by the availability of qualified trainers although we have been consistently investing in our own trainer induction and conversion programmes. We still see many opportunities to launch new compliance products in most regulated markets and are focusing our efforts on an industry by industry basis. We have invested £0.4m during the period in additional trainers, resources and programmes to support the increasing demand. Overall, our compliance training businesses (which represent c.40% of the division's revenue) grew 1% in the period.

Compliance Week, our US governance, risk and compliance events and information business, saw revenue up 8%. We are investing in new content and technology to reposition the business as a global governance, risk and compliance ('GRC') resource centre and events business collaborating with other parts of Wilmington. As part of this globalisation strategy we already hold Compliance Week Annual Conferences co-attended with our ICT and ICA businesses in Washington, Brussels and now in Dubai.

Axco, the industry leading provider of insurance market intelligence, regulation and compliance information, reported a 6% revenue growth helped by the continued success of its new digital subscription products and the roll out of new insight products which enhanced our analytical insurance offerings.

Pendragon, which provides compliance information and workflow tools for the UK pensions markets, maintained its market leading position. We are completing the beta testing of the new pension legislation platform, 'New Perspective', which continues to see strong interest from existing and potential new clients.

ICP, which provides company credit reports aimed at credit risk managers, had a strong start to the year with revenue up 11% benefiting from the pipeline of orders reported at 30 June 2015 and continued strong growth, in particular in the Middle East and Africa.

Inese, our leading insurance information and events business serving the Spanish Insurance market and, increasingly, clients in South American markets, grew revenue by an encouraging 11% in constant currency terms.

Overall divisional contribution increased by £0.3m (6%) to £5.6m (2014: £5.3m) and 9% on a constant currency basis. Margins were up slightly reflecting, inter alia, the investment in infrastructure for our ICT compliance training business to support its rapid revenue growth more than offset by growth from our higher margin information businesses.

Finance (24% of Group revenue, 21% of Group contribution)

This division includes Wilmington's financial training businesses including AMT and Mercia and since its acquisition the finance networking events of FRA. The Finance division provides expert and technical training, networking and support services to professionals in corporate finance, hedge funds, mutual funds, private equity, and capital markets and to qualified accountants in the UK in both the profession and industry. This division primarily serves tier 1 banks, the international financial services industry, and small to medium sized professional accountancy firms.

	2015	2014	Movement	
	£'m	£'m	£'m	%
Revenue	**11.6**	10.0	1.6	16
Contribution	**2.4**	2.3	0.2	8
Margin %	**21**	23		

Finance continued its strong revenue growth with an increase of £1.6m (16%) compared to 2014 with FRA contributing £0.8m to revenue. Adjusting for the acquisition of FRA the underlying growth was a pleasing 8%. Organic growth drivers included continued strong demand from tier 1 banks for face-to-face graduate induction training, and the beneficial impact of the additional UK fiscal budget in July 2015 which led to increased demand for Mercia technical products and services.

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 in particular from its bank induction training programmes in Hong Kong and the US. AMT continued to win market share in a very competitive market based on its reputation built up over many years for 'best in class' bespoke training and heavy investment in its e-delivery and support systems and content. AMT, like other high quality training businesses, is affected by competition for expert trainers.

Chief Executive Officer's Review

Mercia, our accountancy training business, had another excellent first six months. As mentioned above, Mercia has benefited from a second UK fiscal budget in July 2015, but also benefited from demand for specialist courses surrounding the recent changes to UK GAAP.

The FRA finance networking events, which are second half weighted, did see a reduction to the average number of delegates compared to the recent past reflective of the current pressures on the wider equity capital markets. The second half weighting should help to improve the margin in the full year.

Overall divisional contribution was 8% (£0.2m) ahead of last year at £2.4m (2014: £2.3m) but this included a first half loss on FRA finance networking events of £0.3m. Adjusting for FRA and currency underlying profits are up £0.5m and underlying margins were up to 26% from 23% in 2014.

Legal (15% of Group revenue, 6% of Group contribution)

The Legal division provides a range of training, professional support services and information including Continuing Legal Education ('CLE'), expert witness training, databases and magazines to legal professionals. The business, which formerly offered a wide range of services, is now focussing on two basic offerings; providing law services to lawyers in the profession and industry ('Law for lawyers') and law services for non-lawyers ('Law for non-lawyers').

	2015	2014	Movement	
	£'m	£'m	£'m	%
Revenue	**7.6**	7.9	(0.3)	(3)
Contribution	**0.6**	0.7	(0.1)	(5)
Margin %	**8**	9		

The division saw revenue reduce by 3% (£0.3m). This reduction reflects the challenging market conditions previously reported surrounding reduced demand for face-to-face training and the proposed changes to the Legal professional CLE rules. There were, however, areas of the legal market which have shown continued consistent growth including Bond Solon (Law for non-lawyers), which saw revenue grow by 17% and legal training in Scotland which recorded a revenue increase of £0.1m.

Despite the ongoing challenging market conditions the division again, to a large extent, mitigated the revenue impact and its contribution dropped to £0.6m (2014: £0.7m), while its margins dropped from 9% in 2014 to 8%.

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

The Insight division increasingly 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 and the healthcare networking events of FRA since acquisition.

	2015	2014	Movement	
	£'m	£'m	£'m	%
Revenue	**12.5**	11.4	1.1	10
Contribution	**2.8**	2.6	0.2	9
Margin %	**22**	23		

Revenue was up 10% (£1.1m) and, adjusting for adverse currency movements, the Media business disposal and the FRA contribution of £1.9m, underlying revenue was down 2% compared to 2014. FRA's flagship conference

RISE Nashville has seen very strong delegate and sponsorship sales leading up to the event in March 2016. This bodes well for the second half year performance.

The healthcare division, which makes up 70% of this division's revenue, had a mixed start to the year; there was a marked reduction in lower margin marketing data and mailing service sales but also a loss of some higher margin pharma sales caused by stronger pan European competition.

NHiS, the provider of business intelligence and data analysis to the pharmaceutical industry, is still seeing more traction from one off assignments which focus on offering analyst led insightful information albeit at lower margins as well as longer term subscription based contacts. The latter is reflected in deferred revenue up 61% (£0.4m) at 31 December 2015 which is very encouraging for the remainder of the year.

APM, our French language medical news agency, saw good underlying growth of 3% but was adversely affected by the weakness of the Euro.

As expected, the data suppression and charities businesses were marginally down in revenue terms compared to last year, and the focus continues to be on delivering higher margins through ongoing reorganisation and the review of marginal business operations.

Benefiting from a contribution of £0.5m from FRA, overall contribution increased by 9% (£0.2m) to £2.8m (2014: £2.6m). Adjusting for FRA and the adverse impact of currency (which reduced profits by £0.1m) the underlying contribution declined by £0.2m.

Group Overheads

Group overheads, which include plc Board costs, are comprised of head office salaries, as well as unallocated central overheads, increased by £0.1m to £1.7m.

Adjusting Items – included in Operating Expenses

Adjusting items of £0.9m (2014: £0.7m) includes £0.2m in respect of a legal claim and associated legal action that Wilmington is pursuing, inter alia, to enforce certain non-compete obligations. Also included is £0.2m relating to the acquisition costs of FRA and £0.5m relating to deferred consideration payable under the FRA acquisition agreement.

Adjusting Items – included in Net Finance Costs

£0.2m relates to the write off of old capitalised loan arrangement fees and associated legal and professional costs attached to the extension of the loan facility on 1 July 2015 at more favourable rates.

Net Finance Costs

Net finance costs decreased by 22% to £0.8m from £1.0m benefiting from lower interest rates and associated costs payable under the newly extended finance facility. The strong underlying cash flow offset to a large extent the £8.4m initial payment on the FRA acquisition, which is reflected in a slight increase in debt levels at 31 December 2015 of £36.6m up from £34.6m at 31 December 2014.

Pedro Ros
Chief Executive Officer

Financial Review

	2015 £'m	2014 £'m	Movement £'m	Movement %
Revenue	**49.4**	46.1	3.3	7
Adjusted EBITA	**9.7**	9.1	0.6	7
Adjusted EBITA %	**19.7**	19.8		

Adjusted Results
Reference is occasionally made in this interim report 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 7.

Revenue
Revenue for the six months to 31 December 2015 increased by £3.3m to £49.4m (2014: £46.1m). Excluding the impact of acquisitions and disposals, underlying revenue was up 2%.

Net Operating Expenses
Net operating expenses, excluding adjusting items, were £39.6m (2014: £37.0m) up 7%.

Amortisation of Intangible Assets
Amortisation of intangible assets (excluding computer software) remained constant at £3.0m reflecting six months of amortisation of FRA acquired in July 2015 offset by the disposal of the Media intangible assets and the impact of previous acquisitions fully amortised prior to 30 June 2015.

Adjusting Items – included in Operating Expenses
Adjusting items of £0.9m (2014: £0.7m) include £0.2m in respect of a legal claim and associated legal action that Wilmington is pursuing, inter alia, to enforce certain non-compete obligations. Also included is £0.2m relating to the acquisition costs of FRA and £0.5m relating to deferred consideration payable under the FRA acquisition agreement.

Adjusting Items – included in Net Finance Costs
£0.2m relates to the write off of old capitalised loan arrangement fees and associated legal and professional costs attached to the extension of the loan facility on 1 July 2015 at more favourable rates.

Net Finance Costs
Net finance costs which consist of interest payable and bank charges were down 22% to £0.8m from £1.0m supported by lower interest rate and associated costs from the newly extended loan facility.

The Group typically sees lower cash conversion in the first half of its financial year but cash conversion in this period was relatively stronger at 85% compared to 79% last year, helped by the working capital profile of FRA which is second half weighted. This combination of results helped limit overall debt to £36.6m by the period end (2014: £34.6m) despite spending £8.4m on the FRA acquisition. A dividend of £3.5m (2014: £3.1m) has been paid in the period to shareholders.

Share Based Payments
The share based payment expense halved to £0.3m (2014: £0.6m). The six month period to 31 December 2014 included £0.2m in compensation paid to a former director.

Taxation
Taxation increased by £0.1m to £1.0m from £0.9m. The increase in the tax expense is due to higher profit offset by a reduction to UK corporation tax rates.

The underlying tax rate which ignores the tax effects of adjusting items decreased from 23.7% to 23.0%. This reduction reflects, inter alia, the reduction in UK corporation tax rates during the year offset by higher overseas earnings.

Operating Profit

Operating profit increased 18% to £5.6m from £4.7m in 2014. Adjusted EBITA was up 7% at £9.7m (2014: £9.1m) and Adjusted EBITA margins were down 10 bpts to 19.7% (2014: 19.8%) reflecting the first half contribution of FRA which had a lower margin than the group average.

Profit before Taxation

Profit before taxation was up £0.8m (23%) at £4.5m (2014: £3.7m). Adjusted Profit before Tax increased by 10% (£0.8m) to £8.9m from £8.1m.

Earnings per Share

Adjusted Earnings per Share increased by 11% to 7.93p (2014: 7.17p). Basic earnings per share increased to 3.94p from 3.20p and diluted earnings per share increased to 3.90p from 3.15p.

Goodwill

Goodwill increased by £5.4m to £82.5m since 30 June 2015, resulting from the acquisition of FRA in the period (£4.7m), additions resulting from the purchase of non-controlling interests (£0.2m) and exchange rate movements (£0.5m).

Intangible Assets

Intangible assets increased since 30 June 2015 by £2.0m reflecting £4.7m of acquisitions in the year, other additions of £0.5m and exchange rate movements of £0.3m offset by amortisation of £3.5m.

Property, Plant and Equipment

Property, plant and equipment decreased since 30 June 2015 by £0.2m to £4.7m reflecting additions to tangible fixed assets of £0.3m offset by depreciation.

Trade and Other Receivables

Trade and other receivables increased by £0.3m compared to 31 December 2014 reflecting higher trading activity and the acquisition of FRA.

Trade and Other Payables

Trade and other payables which include deferred revenue were up £1.2m compared to 31 December 2014 reflecting the increase in subscriptions and deferred revenue. Subscriptions and deferred revenue, which represents revenue received in advance increased by 6% from £20.1m in 2014 to £21.3m. There was strong growth in deferred revenue balances for the ICT and ICA compliance public courses (up 20%), Axco (up 6%), Mercia (up 4%), and NHiS (up 61%) offset by declines in Legal and some timing delays on Compliance Week. FRA contributed £2.1m of deferred revenue at 31 December 2015 and the Media businesses which were sold in the period contributed £0.5m to deferred revenue at 31 December 2014.

Net Debt

Net debt, which includes cash and cash equivalents, bank loans and bank overdrafts, was £36.6m (2014: £34.6m) an increase of £2.0m. Net debt increased, inter alia, due to the acquisition of FRA for £8.4m offset by the sale of the Media businesses, operating cash flow and stronger cash conversion. The net debt at 31 December 2015 represented just over half of our debt and overdraft facility of £65m.

Financial Review

Current Tax Liabilities

Current tax liabilities decreased by £0.4m to £0.7m at 31 December 2015 due to tax payments offset by the tax charge recognised in the income statement and the net tax charge recognised directly in equity (in relation to share based payments).

Deferred Consideration

The liability of £0.8m relates to the deferred cash payments to the vendors of FRA of £0.5m and the final payment to the vendors of NHiS of £0.3m paid in cash in January 2016.

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 3.8p per share (2014: 3.7p) will be paid on 7 April 2016 to shareholders on the register as at 18 March 2016.

Anthony Foye
Chief Financial Officer

Consolidated Income Statement

	Note	Six months ended 31 December 2015 (unaudited) Adjusted results £'000	Adjusting items (note 7) £'000	Statutory results £'000	Six months ended 31 December 2014 (unaudited) Adjusted results £'000	Adjusting items (note 7) £'000	Statutory results £'000	Year ended 30 June 2015 (audited) Statutory results £'000
Continuing operations								
Revenue	6	**49,363**	**—**	**49,363**	46,085	—	46,085	95,087
Net operating expenses		**(39,630)**	**(873)**	**(40,503)**	(36,954)	(727)	(37,681)	(75,781)
Amortisation		**—**	**(3,011)**	**(3,011)**	—	(3,038)	(3,038)	(6,118)
Share based payments		**—**	**(278)**	**(278)**	—	(634)	(634)	(918)
Operating profit		**9,733**	**(4,162)**	**5,571**	9,131	(4,399)	4,732	12,270
Net finance costs	8	**(799)**	**(225)**	**(1,024)**	(1,024)	—	(1,024)	(1,974)
Profit before tax		**8,934**	**(4,387)**	**4,547**	8,107	(4,399)	3,708	10,296
Taxation	9			**(1,046)**			(876)	(2,429)
Profit for the period				**3,501**			2,832	7,867
Attributable to:								
Owners of the parent				**3,418**			2,759	7,737
Non-controlling interests				**83**			73	130
				3,501			2,832	7,867
Earnings per share attributable to the owners of the parent:								
Basic (p)	11			**3.94**			3.20	8.96
Diluted (p)	11			**3.90**			3.15	8.83
Adjusted earnings per share attributable to the owners of the parent:								
Basic (p)	11	**7.93**			7.17			16.42
Diluted (p)	11	**7.85**			7.06			16.19

The notes on pages 16 to 33 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Six months ended 31 December 2015 (unaudited) £'000	Six months ended 31 December 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Profit for the period	**3,501**	2,832	7,867
Other comprehensive income/(expense)			
Items that may be reclassified subsequently to the Income Statement			
Net fair value movements on interest rate swap	**(118)**	6	116
Currency translation differences	**853**	575	578
Net investment hedge	**(622)**	(232)	(265)
Other comprehensive income for the period, net of tax	**113**	349	429
Total comprehensive income for the period	**3,614**	3,181	8,296
Total comprehensive income for the period attributable to :			
Owners of the parent	**3,531**	3,108	8,166
Non-controlling interests	**83**	73	130
	3,614	3,181	8,296

Items in the statement above are disclosed net of tax. The notes on pages 16 to 33 are an integral part of these financial statements.

Consolidated Balance Sheet

	Note	**31 December 2015 (unaudited) £'000**	31 December 2014 (unaudited) £'000	30 June 2015 (audited) £'000
Non-current assets				
Goodwill	13	**82,467**	77,196	77,063
Intangible assets	13	**25,680**	26,324	23,636
Property, plant and equipment	13	**4,682**	5,757	4,841
Deferred tax assets		**459**	548	562
		113,288	109,825	106,102
Current assets				
Trade and other receivables	14	**23,632**	23,251	21,696
Derivative financial assets		**—**	—	338
Cash and cash equivalents		**11,928**	7,998	9,194
		35,560	31,249	31,228
Assets of disposal group held for sale	12b	**—**	—	895
		35,560	31,249	32,123
Total assets		**148,848**	141,074	138,225
Current liabilities				
Trade and other payables	15	**(39,857)**	(38,692)	(39,575)
Current tax liabilities		**(662)**	(1,077)	(793)
Deferred consideration – cash settled		**(844)**	—	—
Derivative financial liabilities		**(404)**	(315)	—
Borrowings	16	**(2,151)**	(2,232)	(37,655)
		(43,918)	(42,316)	(78,023)
Liabilities of disposal group held for sale	12b	**—**	—	(445)
		(43,918)	(42,316)	(78,468)
Non-current liabilities				
Borrowings	16	**(45,882)**	(40,078)	—
Deferred consideration – equity settled		**—**	(482)	(273)
Derivative financial liabilities		**(264)**	(562)	(423)
Deferred tax liabilities		**(3,295)**	(4,124)	(3,762)
Provision for future purchase of non-controlling interests		**(100)**	(100)	(100)
		(49,541)	(45,346)	(4,558)
Total liabilities		**(93,459)**	(87,662)	(83,026)
Net assets		**55,389**	53,412	55,199
Equity				
Share capital	17	**4,349**	4,325	4,325
Share premium	17	**45,225**	45,225	45,225
Treasury shares	17	**(96)**	(96)	(96)
Share based payments reserve		**649**	875	1,052
Translation reserve		**489**	(367)	(364)
Retained earnings		**4,680**	3,230	4,780
Equity attributable to owners of the parent		**55,296**	53,192	54,922
Non-controlling interests		**93**	220	277
Total equity		**55,389**	53,412	55,199

The notes on pages 16 to 33 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 17) £'000	Share based payment reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
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**
Profit for the period	—	—	—	4,978	4,978	57	5,035
Other comprehensive income for the period	—	—	3	77	80	—	80
	49,454	875	(364)	8,285	58,250	277	58,527
Dividends	—	—	—	(3,288)	(3,288)	—	(3,288)
Share based payments	—	177	—	(217)	(40)	—	(40)
At 30 June 2015 (audited)	**49,454**	**1,052**	**(364)**	**4,780**	**54,922**	**277**	**55,199**
Profit for the period	—	—	—	3,418	3,418	83	3,501
Other comprehensive income for the period	—	—	853	(740)	113	—	113
	49,454	1,052	489	7,458	58,453	360	58,813
Dividends	—	—	—	(3,478)	(3,478)	(141)	(3,619)
Movement in non-controlling interests	—	—	—	—	—	(126)	(126)
Issue of share capital	24	(636)	—	612	—	—	—
Share based payments	—	233	—	—	233	—	233
Deferred tax on share based payments	—	—	—	88	88	—	88
At 31 December 2015 (unaudited)	**49,478**	**649**	**489**	**4,680**	**55,296**	**93**	**55,389**

The notes on pages 16 to 33 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

	Note	**Six months ended 31 December 2015 (unaudited) £'000**	Six months ended 31 December 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Cash flows from operating activities				
Cash generated from operations before adjusting items	18	**8,249**	7,188	21,880
Cash flows for adjusting items – operating activities		**—**	(280)	(1,363)
Cash flows for adjusting items – share based payments		**(180)**	(230)	(230)
Cash generated from operations		**8,069**	6,678	20,287
Interest paid		**(658)**	(914)	(1,883)
Tax paid		**(1,431)**	(1,475)	(3,680)
Net cash generated from operating activities		**5,980**	4,289	14,724
Cash flows from investing activities				
Purchase of business net of cash acquired		**(8,469)**	(173)	(173)
Proceeds from disposal of group held for sale		**343**	—	—
Deferred consideration paid		**—**	(343)	(343)
Purchase of non-controlling interests		**(333)**	—	—
Cash flows for adjusting items – investing activities		**(198)**	—	—
Purchase of property, plant and equipment		**(290)**	(548)	(829)
Proceeds from disposal of property, plant and equipment		**11**	—	65
Purchase of intangible assets		**(472)**	(867)	(1,738)
Net cash used in investing activities		**(9,408)**	(1,931)	(3,018)
Cash flows from financing activities				
Dividends paid to owners of the parent		**(3,478)**	(3,082)	(6,370)
Dividends paid to non-controlling interests		**(141)**	(88)	(88)
Share issuance costs		**(5)**	(6)	(6)
Cash flows for adjusting items – financing activities		**(631)**	—	—
Increase/(decrease) in bank loans		**8,404**	2,000	(1,000)
Net cash generated/(used) from financing activities		**4,149**	(1,176)	(7,464)
Net increase in cash and cash equivalents, net of bank overdrafts		**721**	1,182	4,242
Cash and cash equivalents, net of bank overdrafts, at beginning of the period		**8,698**	4,378	4,378
Exchange gains on cash and cash equivalents		**358**	206	78
Cash and cash equivalents, net of bank overdrafts at end of the period		**9,777**	5,766	8,698
Reconciliation of net debt				
Cash and cash equivalents at beginning of the period		**9,194**	5,020	5,020
Bank overdrafts at beginning of the period	16	**(496)**	(642)	(642)
Bank loans at beginning of the period	16	**(37,306)**	(38,041)	(38,041)
Net debt at beginning of the period		**(28,608)**	(33,663)	(33,663)
Net increase in cash and cash equivalents (net of bank overdrafts)		**1,079**	1,388	4,320
Net (drawdown)/repayment in bank loans		**(8,404)**	(2,000)	1,000
Exchange loss on bank loans		**(665)**	(294)	(265)
Cash and cash equivalents at end of the period		**11,928**	7,998	9,194
Bank overdrafts at end of the period	16	**(2,151)**	(2,232)	(496)
Bank loans at end of the period	16	**(46,375)**	(40,335)	(37,306)
Net debt at end of the period		**(36,598)**	(34,569)	(28,608)

The notes on pages 16 to 33 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 is listed on the main market on the London Stock Exchange. The Company is a provider of information, education and networking to professional markets.

This condensed consolidated interim financial information ('Interim Information') was approved for issue on 23 February 2016.

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 2015 were approved by the Board of Directors on 14 September 2015. The report of the Auditors 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 2015 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 2015 which have been prepared in accordance with IFRSs as adopted by the European Union, and are available on the Group's website: wilmingtonplc.com.

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.

2. Accounting policies

The accounting policies applied are consistent with those of the Annual Financial Statements for the year ended 30 June 2015, 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 2015 but are either not relevant to the Group or do not have a significant impact:

- IFRS 10, 'Consolidated financial statements' provides additional guidance in determining control where this is difficult to assess.
- IFRS 11, 'Joint arrangements' provides a more realistic reflection of joint arrangements.
- IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities.
- Amendments to IFRS 10, 11 and 12 provide additional transition relief in IFRSs 10, 11 and 12.
- IAS 27 (revised 2011) 'Separate Financial Statements' includes the provisions on separate financial statements that are left after the control provisions.

2. Accounting policies continued

- IAS 28 (revised 2011) ‘Associates and Joint Ventures’ includes the requirements for joint ventures, as well as associates, to be equity accounted
- Amendment to IAS 32 and IFRS 7 clarify ‘currently has a legally enforceable right of set-off’.
- Amendment to IAS 36, ‘Impairment of assets’ proposed changes to disclosure requirement when recoverable amount is determined based on fair value less costs of disposal.
- Amendment to IAS 39 ‘Financial instruments: Recognition and measurement’ provides relief from discontinuing hedge accounting on novation of a hedging instrument.

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:

- IFRS 9 ‘Financial instruments’, on ‘Classification and Measurement’ (effective 1 July 2018).
- IFRS 15 ‘Revenue from Contracts with Customers’ (effective 1 July 2018).
- Amendments to IFRS 10 ‘Consolidated Financial Statements’ and IAS 28 ‘Investments and Joint Ventures; (effective 1 July 2016).
- Amendments to IAS 1 ‘Presentation of Financial Statements’ (effective 1 July 2016).
- Amendments to IFRS 10, IFRS 12 and IAS 28 (effective 1 July 2016). These amendments provide guidance on when an investor consolidates financial statements of an associated or joint venture.
- Annual improvements 2012: These amendments include changes from the 2010-12 cycle of the annual improvements project, that affect 7 standards: IFRS 2, ‘Share-Based Payment’, IFRS 3, ‘Business Combinations’, IFRS 8, ‘Operating segments’, IFRS 13, ‘Fair Value Measurement’, IAS 16, ‘Property, Plant and Equipment’ and IAS 38, ‘Intangible Assets’, Consequential amendments to IFRS 9, ‘Financial Instruments’, IAS 37, ‘Provisions, Contingent Liabilities and Contingent Assets’, and IAS 39, Financial Instruments – Recognition and Measurement’.
- Annual improvements 2013 The amendments include changes from the 2011-2-13 cycle of the annual improvements project that affect 4 standards: IFRS 1, ‘First Time Adoption’, IFRS 3, ‘Business Combinations’, IFRS 13, ‘Fair Value Measurement’ and IAS 40, ‘Investment Property’.
- Amendment to IFRS 11, ‘Joint Arrangements’ on Acquisition of an Interest in a Joint Operation.
- Amendment to IAS 16, ‘Property, Plant and Equipment’ and IAS 38,’Intangible Assets’, on depreciation and amortisation.
- Amendments to IAS 16, ‘Property, Plant and Equipment’.
- Amendments to IAS 27, ‘Separate Financial Statements’ on the equity method.

Notes to the Financial Results

2. Accounting policies continued

- Annual improvements 2014: This set of amendments impacts 4 standards: IFRS 5, 'Non-Current Assets held for Sale and Discontinued Operations' regarding methods of disposal, IFRS 7, 'Financial Instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts, IAS 19, 'Employee Benefits' regarding discount rates, IAS 34, 'Interim Financial Reporting' regarding disclosure of information.
- IFRS 16 'Leases' for annual periods beginning on or after 1 July 2019.

3. Principal risks and uncertainties

The principal risks and uncertainties that affect the Group are as stated on pages 20 to 22 of the Strategic Report in the Annual Report and Financial Statements for the year ended 30 June 2015. The main financial risks that affect the Group are:

(a) Interest rate risk

Risk

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. In particular, interest is charged on the £46m (2014: £40m) amount drawn down on the revolving credit facility at a rate of between 1.50 and 2.25 per cent above LIBOR depending upon leverage. Cash flow volatility therefore arises from movements in the LIBOR interest rates.

Group policy

The Group policy is to enter into interest rate swap contracts to maintain the ratio of fixed to variable rate debt at a level that achieves a reasonable cost of debt whilst reducing the exposure to cash flow volatility arising from fluctuations in market interest rates.

Risk management arrangements

The Group's interest rate swap contracts offset part of its variable interest payments and replace them with fixed payments. In particular, the Group has hedged its exposure to the LIBOR part of the interest rate via interest rate swaps, as follows:

- A five year £15.0m interest rate swap commencing on 21 November 2011, whereby the Group receives interest on £15m based on the LIBOR rate and pays interest on £15m at a fixed rate of 2.68%.
- A $7.5m interest rate swap commencing on 13 July 2015 and ending on 1 July 2020, whereby the Group receives interest on $7.5m based on the USD LIBOR rate and pays interest on $7.5m at a fixed rate of 1.79%.
- A £15.0m interest rate swap commencing on 22 November 2016 and ending on 1 July 2020, whereby the Group receives interest on £15m based on LIBOR rate and pays interest on £15m at a fixed rate of 2.00%.

3. Principal risks and uncertainties continued

These derivatives have been designated as a cash flow hedge for accounting purposes. The net settlement of interest on the interest rate swap, which comprises a variable rate interest receipt and a fixed rate interest payment, is recorded in net finance costs in the income statement and so is matched against the corresponding variable rate interest payment on the revolving credit facility. The derivatives are re-measured at fair value at each reporting date. This gives rise to a gain or loss, the entire amount of which is recognised in Other Comprehensive Income ('OCI') following the Directors' assessment of hedge effectiveness.

(b) Foreign currency risk

Risk

The currency of the primary economic environment in which the Group operates is Sterling, and this is also the currency in which the Group presents its financial statements. However, the Group has significant Euro and US dollar 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 Euros and US dollars to Sterling.

Group policy

The Group policy is to fix the exchange rate in relation to a periodically reassessed set percentage of expected Euro and US dollar net cash inflows arising from international trading, by entering into foreign currency contracts to sell a specified amount of Euros or US dollars 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 policy is to finance investment 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. Debt of $18.2m (June 2015: $5.2m) has been designated as a net investment hedge relating to the Group's interest in Compliance Week and FRA.

Risk management arrangements

The following forward contracts were entered into in order to provide certainty in Sterling terms of 80% of the Group's expected net US dollar and Euro income:

- On 23 January 2015, the Group sold $2.5m to 29 January 2016 at a rate of 1.4995
- On 23 January 2015, the Group sold $2.5m to 22 January 2016 at a rate of 1.4977
- On 5 June 2015, the Group sold €1.34m to 14 December 2015 at a rate of 1.3569
- On 5 June 2015, the Group sold €1.34m to 15 December 2015 at a rate of 1.3569
- On 5 June 2015, the Group sold €1.32m to 16 December 2015 at a rate of 1.3569
- On 8 June 2015, the Group sold $2.0m to 27 May 2016 at a rate of 1.5221
- On 8 June 2015, the Group sold $2.0m to 29 April 2016 at a rate of 1.5220

The above derivatives are re-measured at fair value at each reporting date. This gives rise to a gain or loss, the entire amount of which is recognised in the Income Statement.

Notes to the Financial Results

3. Principal risks and uncertainties continued

(c) Liquidity and capital risk

Risk

The Group has historically expanded its operations both organically and via acquisition, financed partly by retained profits but also via external finance. As well as financing cash outflows, the Group's activities give rise to working capital obligations and other operational cash outflows. The Group is consequently exposed to the risk that it cannot meet its obligations as they fall due, or can only meet them at an uneconomic price.

Group policy

The Group policy is to preserve a strong capital base in order to maintain investor, creditor and market confidence and to safeguard the future development of the business, but also to balance these objectives with the efficient use of capital. The Group has, in previous years, made purchases of its own shares whilst taking into account the availability of credit.

Risk management arrangements

The Group ensures its liquidity is maintained by entering into short, medium and long-term financial instruments to support operational and other funding requirements. The Group determines its liquidity requirements by the use of short and long-term cash forecasts.

On 1 July 2015 the Group extended its £65m revolving credit facility with Barclays Bank PLC, HSBC Bank plc and The Royal Bank of Scotland plc through to 1 July 2020. The terms of the old and the extended facility are included below:

Old facility that expired on 1 July 2015:

The Group had an unsecured committed bank facility of £65.0m (2014: £65.0m) to February 2016. The facility comprised of a revolving credit facility of £60.0m (2014: £60.0m) and an overdraft facility across the Group of £5.0m (2014: £5.0m). At 30 June 2015, £37.3m of the revolving credit facility was drawn down (2014: £38.0m). Interest was charged on the amount drawn down at between 2.00 and 2.75 per cent above LIBOR depending upon leverage, and drawdowns were made for periods of up to six months in duration. Interest was charged on the drawn element of the overdraft facility at 2.00 and 2.55 per cent (the 'Margin') above the Barclays bank base rate depending upon leverage. The Group also paid a fee of 40 per cent of the applicable Margin on the undrawn element of the credit facility and the undrawn overdraft. The Group has complied at all times with the covenant requirements of the bank facility arrangement.

Extended facility that is effective from 1 July 2015 and expires on 1 July 2020:

The Group has an unsecured committed bank facility of £65.0m to 1 July 2020. The facility comprised of a revolving credit facility of £60.0m and an overdraft facility across the Group of £5.0m. In addition, the extended facility also provides for an accordion option whereby the unsecured committed bank facility may be increased by up to £35m to a total commitment of £100m if required subject to majority lending bank consent. Interest is charged on the amount drawn down at between 1.50 and 2.25 (the 'Margin') per cent above LIBOR depending upon leverage, and drawdowns are made for periods of up to six months in duration. Interest is charged on the drawn element of the overdraft facility at 1.50% and 2.25% per cent above the Barclays bank base rate depending upon leverage. The Group also pays a fee of 40% of the applicable Margin on the undrawn element of the credit facility and the undrawn overdraft.

3. Principal risks and uncertainties continued

(d) Credit Risk

Risk

The Group's principal financial assets are receivables and bank balances. The Group is consequently exposed to the risk that its customers or the credit facility providers cannot meet their obligations as they fall due.

Group policy

The Group policy is that the lines of business assess the creditworthiness and financial strength of customers at inception and on an ongoing basis. The Group also reviews the credit rating of the bank.

Risk management arrangements

The Group's credit risk is primarily attributable to its trade receivables. However, the Group has no significant exposure to credit risk because its trading is spread over a large number of customers. The payment terms offered to customers take into account the assessment of their creditworthiness and financial strength, and they are set in accordance with industry standards. The creditworthiness of customers is considered before trading commences. Most of the Group's customers are large and well established institutions that pay on time and in accordance with the Group's standard terms of business.

The amounts presented in the Balance Sheet are net of allowances for bad and doubtful receivables estimated by management based on prior experience and their assessment of the current economic value.

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).

Notes to the Financial Results

4. Financial instruments and risk management continued

The group has recognised a level 2 financial liability of £105,311 for foreign exchange trading derivatives at fair value through income or expense. In addition the group has recognised a level 2 financial liability of £562,451 for three interest rate swap contracts 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 EBITA has been calculated as Profit before Tax after adding back:

- amortisation of intangible assets – publishing rights, titles and benefits;
- share based payments;
- Adjusting items; and
- net finance costs.

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

	Six months ended 31 December 2015 (unaudited) £'000	Six months ended 31 December 2014 (unaudited) £'000	Year ended 30 June 2014 (audited) £'000
Profit before tax	**4,547**	3,708	10,296
Amortisation of intangible assets – publishing rights, titles and benefits	**3,011**	3,038	6,118
Share based payments	**278**	634	918
Adjusting items	**873**	727	1,112
Net finance costs	**1,024**	1,024	1,974
Adjusted operating profit ('Adjusted EBITA')	**9,733**	9,131	20,418
Depreciation of property, plant and equipment	**447**	588	918
Amortisation of intangible assets – computer software	**512**	685	1,005
Adjusted EBITA before depreciation ('Adjusted EBITDA')	**10,692**	10,404	22,341

5. Measures of profit continued

Adjusted profit before tax reconciles to profit on continuing activities before tax as follows:

	Six months ended 31 December 2015 (unaudited) £'000	Six months ended 31 December 2014 (unaudited) £'000	Year ended 30 June 2014 (audited) £'000
Profit before tax	**4,547**	3,708	10,296
Amortisation of intangible assets – publishing rights, titles and benefits	**3,011**	3,038	6,118
Share based payments	**278**	634	918
Adjusting items (included in operating expenses)	**873**	727	1,112
Adjusting items (included in net finance costs)	**225**	—	—
Adjusted profit before tax	**8,934**	8,107	18,444

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 reports its results in four operating segments as this accurately reflects the way the Group is managed.

The Group's organisational structure reflects the main communities to which it provides information, education and networking. The four 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, North America, the rest of Europe and the rest of the world.

Notes to the Financial Results

6. Segmental information continued

(a) Business segments

	Six months ended 31 December 2015 (unaudited)		Six months ended 31 December 2014 (unaudited)		Year ended 30 June 2015 (audited)	
	Revenue £'000	**Contribution £'000**	Revenue £'000	Contribution £'000	Revenue £'000	Contribution £'000
Risk & Compliance	**17,593**	**5,595**	16,771	5,282	36,416	11,856
Finance	**11,595**	**2,435**	9,983	2,250	18,711	4,382
Legal	**7,638**	**643**	7,896	678	16,250	2,201
Insight	**12,537**	**2,790**	11,435	2,569	23,710	5,390
	49,363	**11,463**	46,085	10,779	95,087	23,829
Unallocated central overheads	**—**	**(1,730)**	—	(1,648)	—	(3,411)
	49,363	**9,733**	46,085	9,131	95,087	20,418
Amortisation of intangible assets – publishing rights, titles and benefits		**(3,011)**		(3,038)		(6,118)
Share based payments		**(278)**		(634)		(918)
Adjusting items (included in operating expenses)		**(873)**		(727)		(1,112)
Net finance costs		**(1,024)**		(1,024)		(1,974)
Profit before tax		**4,547**		3,708		10,296
Taxation		**(1,046)**		(876)		(2,429)
Profit for the financial year		**3,501**		2,832		7,867

(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 2015 (unaudited) £'000	Six months ended 31 December 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
UK	**28,714**	28,573	57,797
Europe (excluding the UK)	**7,207**	7,834	16,248
North America	**8,846**	5,991	10,683
Rest of the World	**4,596**	3,687	10,359
Total revenue	**49,363**	46,085	95,087

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 2015 (unaudited) £'000	Six months ended 31 December 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Increase/(decrease) in the liability for deferred consideration	**551**	(193)	(402)
Costs relating to successful and aborted acquisitions	**172**	—	22
Legal claim costs	**150**	—	—
Restructuring and rationalisation costs	**—**	420	992
Compensation for loss of office	**—**	500	500
Adjusting items (included in operating expenses)	**873**	727	1,112
Costs relating to the extension of the loan facility	**225**	—	—
Amortisation of intangible assets - publishing rights, titles and benefits	**3,011**	3,038	6,118
Share based payments	**278**	634	918
Total adjusting items (classified in profit before tax)	**4,387**	4,399	8,148

The increase in the liability for deferred consideration relate to Financial Research Associates ('FRA') and NHiS. Successful and aborted acquisitions relate to the acquisition of FRA and other aborted acquisitions. Legal claim costs of £0.2m relate to legal action that Wilmington is pursuing, inter alia, to enforce certain non-compete obligations.

8. Net finance costs

	Six months ended 31 December 2015 (unaudited) £'000	Six months ended 31 December 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Finance costs comprise:			
Interest payable on bank loans and overdrafts	**(733)**	(911)	(1,754)
Amortisation of capitalised loan arrangement fees – extended facility	**(66)**	(113)	(220)
Adjusting item – extension of loan facility costs	**(225)**	—	—
	(1,024)	(1,024)	(1,974)

The extension of loan facility costs comprises £147,000 of old capitalised loan arrangement fees written off and £78,000 of legal and professional costs connected to the extension.

Notes to the Financial Results

9. Taxation

	Six months ended 31 December 2015 (unaudited) £'000	Six months ended 31 December 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Current tax:			
Current tax on profits for the period	**1,465**	1,532	3,287
Adjustments in respect of previous years	**83**	—	52
Total current tax	**1,548**	1,532	3,339
Deferred tax:			
Deferred tax credit	**(432)**	(558)	(715)
Effect on deferred tax of change in corporation tax rate	**(70)**	(98)	(195)
Total deferred tax	**(502)**	(656)	(910)
Taxation	**1,046**	876	2,429

10. Dividends

Distributions to owners of the parent in the period:

	Six months ended 31 December 2015 pence per share (unaudited)	Six months ended 31 December 2014 pence per share (unaudited)	Year ended 30 June 2015 pence per share (audited)	**Six months ended 31 December 2015 £'000 (unaudited)**	Six months ended 31 December 2014 £'000 (unaudited)	Year ended 30 June 2015 £'000 (audited)
Final dividends recognised as distributions in the year	**4.0**	3.7	3.7	**3,478**	3,082	3,082
Interim dividends recognised as distributions in the year	**—**	—	3.7	**—**	—	3,288
Total dividends paid in the period				**3,478**	3,082	6,370
Interim/final dividend proposed	**3.8**	3.7	4.0	**3,304**	3,200	3,458

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;
- share based payments;
- adjusting items included in operating expenses; and
- adjusting items included in net finance costs.

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

	Six months ended 31 December 2015 (unaudited) £'000	Six months ended 31 December 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Earnings from continuing operations for the purpose of basic earnings per share	**3,418**	2,759	7,737
Add/(remove):			
Amortisation of intangible assets – publishing rights, titles and benefits (net of non-controlling interests)	**3,011**	3,038	6,118
Adjusting items (included in operating expenses)	**873**	727	1,112
Adjusting items (included in net finance costs)	**225**	—	—
Share based payments	**278**	634	918
Tax effect of adjustments above	**(926)**	(972)	(1,698)
Adjusted earnings for the purposes of adjusted earnings per share	**6,879**	6,186	14,187
	Number	Number	Number
Weighted average number of ordinary shares for the purpose of basic and adjusted earnings per share	**86,706,740**	86,232,406	86,389,533
Effect of dilutive potential ordinary shares:			
Future exercise of share awards and options	**906,717**	1,158,012	1,154,643
Deferred consideration to be settled by equity	**—**	221,917	107,059
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**87,613,457**	87,612,335	87,651,235
Basic earnings per share	**3.94p**	3.20p	8.96p
Diluted earnings per share	**3.90p**	3.15p	8.83p
Adjusted basic earnings per share ('Adjusted Earnings Per Share')	**7.93p**	7.17p	16.42p
Adjusted diluted Earnings per Share	**7.85p**	7.06p	16.19p

Notes to the Financial Results

12. Acquisitions and disposals

a) Acquisitions – FRA – July 2015

On 6 July 2015 Wilmington FRA Inc. acquired the trading assets and the assumption of certain liabilities of Financial Research Associates ('FRA') a leading US conference and networking provider of specialist events in healthcare and finance from Financial Research Associates LLC (the 'Seller'). FRA was acquired for initial consideration of $13,034,683 (£8,376,938) in cash. Subsequently, a further payment of $142,923 (£91,852) was made to the Sellers in respect of a final working capital adjustment.

Deferred consideration totalling $3,000,000 is payable in cash to the Seller in equal annual instalments on 1 July 2016 and 1 July 2017 conditional upon the continued employment of the management team. These amounts are expensed evenly throughout the vesting period directly in the income statement as adjusting items – deferred consideration movements. An expense of $750,000 (£495,000) has been recognised in the income statement as adjusting items – deferred consideration movements as at 31 December 2015.

Further contingent consideration of up to $4,600,000 is potentially payable in cash subject to FRA achieving challenging revenue and profit targets over the two financial years ending 30 June 2016 and 30 June 2017.

The initial consideration and the final working capital adjustment were financed out of the extended £65.0m multi-currency revolving credit facility.

Acquisition related costs of £166,000 have been expensed as an adjusting item in the income statement (see note 7).

The acquisition of FRA is consistent with Wilmington's strategy of acquiring complementary businesses with high repeat revenues and strong, cash generative income streams in the Group's key markets. FRA's business provides Wilmington with additional networking expertise and will support the Insight and Finance divisions.

Details of the fair value of the purchase consideration, the net assets acquired and goodwill for the acquisition are as follows:

	£'000
Purchase consideration:	
Initial cash paid	8,377
Final working capital adjustment	92
Total consideration	**8,469**

12. Acquisitions and disposals continued

The provisional fair values of assets and liabilities recognised as a result of this acquisition are as follows:

	£'000
Intangible assets – Customer relationships – Delegates	672
Intangible assets – Customer relationships – Sponsors	1,336
Intangible assets – Brand	862
Intangible assets – Tax amortisation benefit	1,848
Total intangible assets (see note 13)	**4,718**
Trade and other receivables (net of allowances)	353
Trade and other payables	(193)
Subscriptions and deferred revenue	(1,127)
Net identifiable assets acquired	**3,751**
Goodwill (see note 13)	4,718
Net assets acquired	**8,469**

The goodwill is attributable to FRA's strong position and profitability in trading in specialist events in the US healthcare and finance sectors and synergies to arise with other Wilmington businesses in the US and in the Insight and Finance divisions after the acquisition. The estimated useful economic life of the intangibles is as follows:

Intangible assets – Customer relationships – Delegates	5 years
Intangible assets – Customer relationships – Sponsors	10 years
Intangible assets – Brand	5 years
Intangible assets – Tax amortisation benefit	15 years

The acquired business contributed revenues of $4,460,040 (£2,939,723) and contribution of $291,552 (£194,368) to the Group for the period from the date of acquisition to 31 December 2015.

b) Disposals – Media Brands – July 2015

The assets and liabilities relating to the Knowledge, KFTV and Production Intelligence (Media Brands that formed part of the Insight division) were disposed of on 31 July 2015 for sale proceeds of £343,000 (net of a working capital adjustment).

c) Non-controlling interests acquired – October 2015 and December 2015

In October 2015 the Group purchased the remaining 20% shareholding in Mercia Ireland Limited and Mercia NI Limited for £74,000, making them wholly owned subsidiaries. In December 2015 the Group purchased an additional 8.75% shareholding in Wilmington Millennium Limited for £259,000 taking the Group's holding to 91.25%.

d) Deferred consideration settlement – NHiS – January 2016

On 8 January 2016, Wilmington settled the final deferred consideration owing of £330,000 paid in cash.

Notes to the Financial Results

12. Acquisitions and disposals continued

e) Acquisition – JMH Publishing (trading as 'Wellards') – January 2016

Wilmington acquired JMH Publishing Limited (trading as 'Wellards') from Assetbond Limited and certain individuals (the 'Sellers') for initial consideration of £4.2m paid on 18 January 2016. Wellards was acquired with £1.4m of cash in its balance sheet. A final payment of up to £0.9m in March 2016 will be made once the final net current asset position has been agreed.

The process of fair valuing Wellards has not been completed at the date of these financial statements. Subject to this process to fair value, the group acquired approximately £0.7m of net assets that includes £0.7m of subscriptions and deferred revenue. The excess consideration above the fair value of these acquired net assets will be recognised as goodwill and intangible asset on completion of the exercise to fair value. All amounts are disclosed as provisional. The consideration was financed out of the Group's existing £65.0m multicurrency loan facility and the business is expected to be earnings enhancing in the first full year of ownership.

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

	Goodwill £'000	Intangible assets £'000	Property, plant and equipment £'000
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
Additions	—	882	281
Disposals	—	—	(10)
Asset Held for sale	(100)	(472)	—
Reclassification between categories	—	542	(542)
Exchange translation differences	(33)	(240)	(315)
Depreciation of property, plant and equipment	—	—	(330)
Amortisation of publishing rights, titles and benefits	—	(3,080)	—
Amortisation of computer software	—	(320)	—
Closing net book amount as at 30 June 2015 (audited)	77,063	23,636	4,841
Acquisitions (provisional)	4,718	4,718	—
Additions	217	472	290
Disposals	—	—	(7)
Exchange translation differences	469	377	5
Depreciation of property, plant and equipment	—	—	(447)
Amortisation of publishing rights, titles and benefits	—	(3,011)	—
Amortisation of computer software	—	(512)	—
Closing net book amount as at 31 December 2015 (unaudited)	82,467	25,680	4,682

Acquired goodwill and intangibles relate to the acquisition of FRA (see note 12a). Additions to goodwill during the period relate to the purchase of non-controlling interests (see note 12c).

14. Trade and other receivables

	31 December 2015 (unaudited) £'000	31 December 2014 (unaudited) £'000	30 June 2015 (audited) £'000
Trade receivables	**20,151**	19,863	18,518
Prepayments and other receivables	**3,481**	3,388	3,178
	23,632	23,251	21,696

15. Trade and other payables

	31 December 2015 (unaudited) £'000	31 December 2014 (unaudited) £'000	30 June 2015 (audited) £'000
Trade and other payables	**18,560**	18,613	20,410
Subscriptions and deferred revenue	**21,297**	20,079	19,165
	39,857	38,692	39,575

16. Borrowings

	31 December 2015 (unaudited) £'000	31 December 2014 (unaudited) £'000	30 June 2015 (audited) £'000
Current liability			
Bank overdrafts	**2,151**	2,232	496
Bank loans	**—**	—	37,306
Capitalised loan arrangement fees – old facility	**—**	—	(147)
	2,151	2,232	37,655
Non-current liability			
Bank loans	**46,375**	40,335	—
Capitalised loan arrangement fee – old facility	**—**	(257)	—
Capitalised loan arrangement fees – extended facility	**(493)**	—	—
Bank loans net of facility fees	**45,882**	40,078	—

Details of the Group's bank facilities are set out in note 3. On 1 July 2015, upon finalisation of the extension of the loan facility, £147,000 of old capitalised loan arrangement fees were written off to the income statement as net finance cost – adjusting items.

Notes to the Financial Results

17. Share capital

	Number of ordinary shares of 5p each	Ordinary shares £'000	Share premium account £'000	Treasury shares £'000	Total £'000
At 1 July 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) and 30 June 2015 (audited)	86,507,461	4,325	45,225	(96)	49,454
Shares issued	478,270	24	—	—	24
At 31 December 2015 (unaudited)	**86,985,731**	**4,349**	**45,225**	**(96)**	**49,478**

On 19 October 2015, 478,270 ordinary shares were issued in respect of the vesting of the 2012 PSP Share Awards to employees (including Directors).

At 31 December 2015, 46,584 shares (2014: 46,584) were held in Treasury, which represents 0.1% (2014: 0.1%) of the called up share capital of the Company.

18. Cash generated from operations

	Six months ended 31 December 2015 (unaudited) £'000	Six months ended 31 December 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Profit from continuing operations before income tax	**4,547**	3,708	10,296
Adjusting items (included in operating expenses)	**873**	727	1,112
Depreciation of property, plant and equipment	**447**	588	918
Amortisation of intangible assets	**3,523**	3,723	7,123
(Profit)/loss on disposal of property, plant and equipment and intangibles	**(4)**	45	(21)
Share based payments	**278**	634	918
Net finance costs	**1,024**	1,024	1,974
Operating cash flows before movements in working capital	**10,688**	10,449	22,320
(Increase)/decrease in receivables	**(1,583)**	(862)	371
Decrease in payables	**(856)**	(2,399)	(811)
Cash generated from operations before adjusting items	**8,249**	7,188	21,880

18. 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 2015 (unaudited) £'000	Six months ended 31 December 2014 (unaudited) £'000	Year ended 30 June 2015 (audited) £'000
Funds from operations before adjusting items:			
Adjusted EBITA (note 5)	**9,733**	9,131	20,418
Amortisation of intangible assets – computer software	**512**	685	1,005
Depreciation of property, plant and equipment	**447**	588	918
(Profit)/loss on disposal of property, plant and equipment and intangibles	**(4)**	45	(21)
Operating cash before movements in working capital	**10,688**	10,449	22,320
Net working capital movement	**(2,439)**	(3,261)	(440)
Funds from operations before adjusting items	**8,249**	7,188	21,880
Cash conversion	**85%**	79%	107%
Free cash flows:			
Operating cash before movement in working capital	**10,688**	10,449	22,320
(Profit)/loss on disposal of property, plant and equipment	**(4)**	45	(22)
Net working capital movement	**(2,439)**	(3,261)	(440)
Interest paid	**(658)**	(914)	(1,883)
Tax paid	**(1,431)**	(1,475)	(3,680)
Purchase of property, plant and equipment	**(290)**	(548)	(829)
Purchase of intangible assets	**(472)**	(867)	(1,739)
Free cash flows	**5,394**	3,429	13,727

19. Related party transactions

The Chief Executive Officer, Pedro Ros, owns a minority shareholding in SMARP OY (a company incorporated in Finland), which provides social media services to the Group. A subsidiary of the Group paid £11,160 during the period to SMARP UK Limited, a subsidiary of SMARP OY.

Global Training Consultancy Limited, a third party company, is owned and controlled by the spouse of Bill Howarth, Divisional Director of Risk & Compliance. Global Training Consultancy Limited invoiced a subsidiary of the Group for a total of £36,212 during the period for lecturing, writing production and exam marking services.

20. 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 two 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, Compliance Week and FRA, have major annual events in the second half of the year.

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.

A list of current Directors is maintained on the Wilmington plc website: wilmingtonplc.com.

By order of the Board

Anthony Foye
Chief Financial Officer
23 February 2016

Officers

Directors:
Mark Asplin
Non-Executive Chairman

Pedro Ros
Chief Executive Officer

Anthony Foye
Chief Financial Officer

Derek Carter
Senior Independent
Non-Executive Director

Nathalie Schwarz
Non-Executive Director

Paul Dollamn
Non-Executive Director

Company Secretary:
Linda Wake

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Shareholder Notes

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