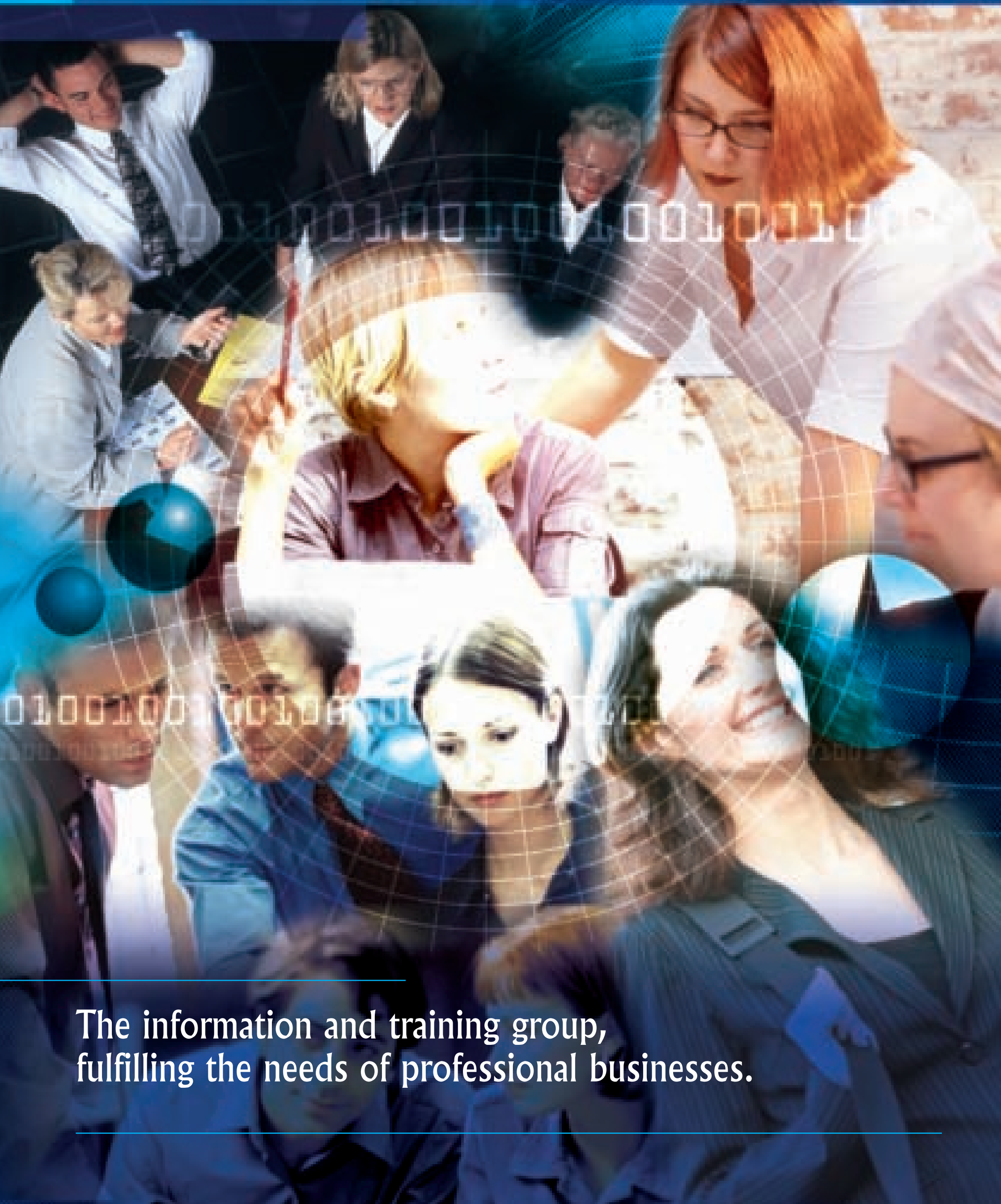
Wilmington Group plc

Interim Report for the six months ended 31 December 2007



The information and training group,
fulfilling the needs of professional businesses.

Officers and Advisers

Directors

David L Summers
Non-Executive Chairman

Charles J Brady
Chief Executive

R Basil Brookes
Finance Director

Rory A Conwell
Executive Director

Mark Asplin
Non-Executive Director

Terry Garthwaite
Non-Executive Director

Secretary:

Ahmed Zahedieh
Company Secretary

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Company Registration No. 3015847

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Joint Stockbrokers	Hoare Govett Limited 250 Bishopsgate London EC2M 4AA
Registered Auditors	PKF (UK) LLP Farringdon Place 20 Farringdon Road London EC1M 3AP
Solicitors	Lawrence Graham LLP 4 More London Riverside London SE1 2AU
Principal Bankers	Barclays Bank plc 1 Churchill Place, Canary Wharf London E14 5HP
Registrars	Equiniti Ltd Aspect House Spencer Road Lancing BN99 6DA

Interim Management Report

Results for the six months ended 31 December 2007

I am pleased to report that Wilmington continues to make excellent progress, with strong growth in both revenue and profitability being reported in the six months to 31 December 2007.

Revenue in the six months to 31 December 2007 from continuing operations increased by 13.1% to £39.9m (2006: £35.3m). Profit from continuing operations, before taxation and amortisation increased by 13.5% to £5.7m (2006: £5.0m).

Adjusted basic earnings per share from continuing operations (before amortisation, share based payments and non-recurring items) increased by 13.9% to 4.50p (2006: 3.95p).

Our cash flow performance was very strong, with operating cash inflow increasing by 58% to £5.7m.

The interim dividend for the current year has been increased by 15% to 2.3p per share (2006: 2.0p per share) and will be paid on 8 April 2008 to shareholders on the register on 7 March 2008. This increase reflects the Board's policy of maintaining a progressive divided policy and the underlying strength of the business and balance sheet. Net debt at 31 December 2007 was £14.8m (2006: £20.5m).

Business Review

Wilmington has made significant progress during the six months to 31 December 2007 in achieving its strategic goals. We have delivered strong revenue and profit growth from continuing operations, as well as capital profits from the disposal of assets. We continue to invest in exciting new initiatives and have made further acquisitions to develop our portfolio of businesses.

We announced in July 2007 that the Singapore Authorities had commissioned a major programme of compliance training and assessment. Since then we have established offices in Singapore, the first course programmes have been accredited by the Singapore Authorities, and extensive course materials are being developed and expensed. The first tranche of courses commenced in January 2008, with good delegate numbers. As we have previously highlighted, the development of the Singapore compliance programmes will require significant further budgeted investment during the current financial year. We are very pleased by the promising progress made to date and remain confident that this development will start to produce positive returns in the next financial year.

We announced on 19 July 2007 that the company had decided to buy back £5m of its ordinary shares by market value. In September, following the disposal referred to below, we extended the buy back from the initial target of £5m to £12m of ordinary shares. At the close of business on 25 February 2008 we had purchased 1,472,000 shares and have paid £3.1m. The share buy back programme is ongoing.

On 14 August 2007 we announced the completion of the disposal of Wilmington Media and Dewberry Redpoint for a cash consideration of £12m. I am pleased to report a modest capital profit on the sale, which is

Interim Management Report continued

partly offset by normal seasonal losses from the discontinued businesses during July and the early part of August.

As stated in the report and accounts for the year ended 30 June 2007, discontinued operations generated a profit before amortisation and taxation of £1.2m in the twelve months ended 30 June 2007. Whilst the principal risks and uncertainties remain substantially the same as those referred to in last year's Annual Report, as a consequence of the disposals we have substantially reduced our dependence on magazine display advertising and have retained strong information centric businesses with significant subscription revenues, that historically have low cyclicality.

On 27 November 2007 we announced the acquisition of 80% of the fully diluted share capital of the Matchett Group Limited ("Matchett"), a professional training business with particular emphasis on the annual graduate induction courses for major investment banks both in the UK and the US, for an initial cash consideration of £5.7m and the repayment of existing debt of £3.9m. The integration of Matchett into the CLT Group is progressing well. I am also pleased to report that Matchett has subsequently won a number of new contracts from investment banks, which bodes well for its prospects going forward.

Legal and Regulatory

The Legal and Regulatory division has delivered a strong performance in the six months to 31 December 2007. Revenue has grown 14.3% to £32.2m (2006: £28.1m). The acquisition of Matchett, the launch of the Singapore compliance programme and other minor acquisitions have had only minimal impact on the revenues of the division for the half year. Underlying revenues from businesses owned at 31 December 2006 grew by 9.8% to £30.9m (2006: £28.1m) in the six months to 31 December 2007.

Segmental profits for the six months to 31 December 2007 before central overheads and amortisation have increased by 9.8% to £6.4m (2006: £5.8m). Excluding the impact of the acquisitions and the Singapore launch, underlying segmental profits before central overheads and amortisation increased by 13.0% to £6.6m (2006: £5.8m).

The previously reported trend of growing Internet and digital revenues has continued and has enhanced the performance of our publishing business. In particular, Pendragon (pensions), for which revenues are entirely digital, reported profits up 30.0% compared to the same period in the prior year.

In February 2008 we acquired the Professional Information publisher, AP Information Services ("APIS"), for a cash consideration of £5.8m. APIS, which is a leading provider of specialist information on pension funds and their advisers, will be integrated into Waterlow Professional Publishing. APIS is a highly complementary addition to both Waterlow and Pendragon.

We have seen a robust performance from our continuing professional development programmes for lawyers. Bond Solon, which provides training in law for non-lawyers, has also seen good growth, with strong forward sales momentum. The international programmes in trust, wealth management, compliance and anti-money laundering remained buoyant despite the turbulence in the financial markets. Early indications for the acquisition of Matchett are positive, as the investment banks appear to be maintaining their graduate recruitment.

Whilst investing in a number of new initiatives, including a small bolt-on acquisition, Mercia has performed ahead of our expectations since its acquisition in October 2006.

Business Information

Wilmington Business Information has performed well despite the management time focused on the disposal of non-core publishing assets during the period. Both Healthcare and Media divisions have performed strongly and overall revenue from Business Information grew by 8.3% to £7.8m (2006: £7.2m). Segmental profits from continuing operations before central overheads and amortisation grew to £0.8m (2006: £0.7m).

The sale of Wilmington Media and Dewberry Redpoint has necessitated some restructuring of our Business Information division to segregate retained businesses from the disposed businesses, including the relocation of some of our continuing operations. This has now been substantially completed.

Outlook

Wilmington will continue to develop its position as a leading provider of training and information to key professional business markets. To facilitate growth we have strengthened our management team and infrastructure to create an effective and robust platform for expansion. We will continue to underpin our organic growth with strategic acquisitions and focused investments.

As in previous years, we expect the Group's performance to be weighted significantly towards the second half of the financial year. Whilst we continue to be alert to trading conditions across our chosen markets, and the general economic outlook, we believe that our business is robust and is substantially underpinned by the provision of "must have" information and training. The full year outlook for the Group continues to be positive and our markets offer excellent opportunities for the long term.

David L Summers
Chairman

27 February 2008

Consolidated Income Statement

	Notes	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
Revenue	1	39,946	35,333	81,453
Cost of sales		(13,698)	(12,309)	(27,064)
Gross profit		26,248	23,024	54,389
Operating expenses excluding amortisation		(20,093)	(17,435)	(37,904)
Amortisation		(2,264)	(1,981)	(3,922)
Profit from continuing operations before non-recurring items		3,891	3,608	12,563
Non-recurring items		–	1,208	1,208
Profit from continuing operations after non-recurring items		3,891	4,816	13,771
Finance costs		(485)	(592)	(1,239)
Profit on ordinary activities before taxation		3,406	4,224	12,532
Income tax expense	2	(974)	(1,278)	(3,343)
Profit on ordinary activities after taxation		2,432	2,946	9,189
(Loss)/profit on discontinued operations after taxation	3	(169)	(38)	696
Net profit for the period		2,263	2,908	9,885
Attributable to equity holders of the parent		2,025	2,724	9,246
Minority interest		238	184	639
Earnings per share attributable to equity holders of the parent				
Continuing operations:	5(a)			
Basic earnings per share		2.62p	3.29p	10.18p
Diluted earnings per share		2.61p	3.29p	10.14p
Adjusted basic earnings per share		4.50p	3.95p	12.44p
Continuing and discontinued operations:	5(b)			
Basic earnings per share		2.41p	3.25p	11.01p
Diluted earnings per share		2.41p	3.24p	10.97p
Adjusted basic earnings per share		4.35p	4.22p	13.90p

Consolidated Statement of Recognised Income and Expense

	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
Exchange differences on translation of foreign operations	(5)	(21)	–
Interest rate swap (loss)/gain taken directly to equity	(587)	–	560
Actuarial (loss)/gain taken directly to equity	–	(11)	197
Capital reserve realised on disposal of businesses taken directly to equity	949	–	–
Tax on items taken directly to equity	(109)	3	(227)
Net income/(expense) recognised directly in equity	248	(29)	530
Net profit for the period	2,263	2,908	9,885
Total recognised income and expense for the period	2,511	2,879	10,415
Attributable to			
Equity holders of the parent	2,273	2,695	9,776
Minority interests	238	184	639
	2,511	2,879	10,415

Consolidated Balance Sheet

	As at 31 December 2007 (unaudited) £'000	As at 31 December 2006 (unaudited) £'000	As at 30 June 2007 (audited) £'000
Non-current assets			
Goodwill	54,981	49,207	47,934
Intangible assets	37,936	37,336	31,615
Property, plant and equipment	8,133	11,442	8,131
Deferred tax asset	123	129	228
	101,173	98,114	87,908
Current assets			
Inventories	1,837	2,032	1,573
Trade and other receivables	19,534	19,694	24,192
Derivative financial asset	–	–	560
Cash	4,063	4,146	4,443
	25,434	25,872	30,768
Non-current assets held for sale	–	–	9,715
Total assets	126,607	123,986	128,391
Current liabilities			
Trade and other payables	(31,580)	(27,752)	(35,122)
Tax liabilities	(1,942)	(2,120)	(2,649)
Derivative financial liability	(27)	–	–
Bank overdrafts and loans	(3,848)	(4,673)	(3,306)
	(37,397)	(34,545)	(41,077)
Non-current liabilities			
Bank loans	(15,000)	(20,000)	(13,000)
Retirement benefit obligation	–	(246)	(18)
Deferred tax liability	(7,674)	(5,888)	(5,188)
	(22,674)	(26,134)	(18,206)
Total liabilities	(60,071)	(60,679)	(59,283)
Net assets	66,536	63,307	69,108
Equity			
Share capital	4,216	4,208	4,208
Share premium account	43,204	42,977	43,006
Treasury shares	(1,547)	–	–
Capital reserve	–	949	949
Translation reserve	(16)	(32)	(11)
Share option reserve	135	108	125
Retained earnings	17,598	13,300	18,677
Equity shareholders' funds	63,590	61,510	66,954
Minority interests	2,946	1,797	2,154
Total equity	66,536	63,307	69,108

Consolidated Cash Flow Statement

	Notes	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
Net cash flow from operating activities	7	3,194	1,912	13,713
Investing activities				
Purchase of property, plant and equipment		(478)	(534)	(1,092)
Sale of property, plant and equipment		9	42	35
Purchase of subsidiary undertakings and minority interests		(9,809)	(7,210)	(8,374)
Cash acquired on purchase of subsidiary undertakings		123	966	1,534
Cash movement on disposal of subsidiary undertakings		(783)	–	(32)
Sale of subsidiary undertakings		10,200	–	696
Purchase of goodwill and intangible assets		(520)	(430)	(1,370)
Sale of intangible assets		–	–	28
Net cash used in investing activities		(1,258)	(7,166)	(8,575)
Financing activities				
Dividends paid to equity holders of the parent		(3,352)	(2,257)	(3,940)
Dividends paid to minority shareholders in subsidiary undertakings		(166)	(218)	(292)
Issue of ordinary shares		207	347	376
Purchase of treasury shares		(1,547)	–	–
Increase/(decrease) in long term loans		2,000	4,000	(3,000)
Net cash flows from financing activities		(2,858)	1,872	(6,856)
Net (decrease) in cash and cash equivalents		(922)	(3,382)	(1,718)
Cash and cash equivalents at beginning of the period		1,137	2,855	2,855
Cash and cash equivalents at end of the period		215	(527)	1,137

Notes to the Accounts

1. Segmental information

	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
Revenue:			
Legal and Regulatory	32,152	28,138	65,319
Business Information	7,794	7,195	16,134
	39,946	35,333	81,453

To allow shareholders to gain a better understanding of the trading performance of the Group, segmental results are shown both before and after allocating non-recurring costs and amortisation.

	Notes	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
Segmental profit before amortisation:				
Legal and Regulatory		6,384	5,812	15,736
Business Information		811	716	2,969
Total segmental profit		7,195	6,528	18,705
Less: unallocated central overheads		(1,040)	(939)	(2,220)
Profit from continuing operations before amortisation and non-recurring items		6,155	5,589	16,485
Add: non-recurring items		–	1,208	1,208
Profit from continuing operations after non-recurring items		6,155	6,797	17,693
Less: finance costs		(485)	(592)	(1,239)
Profit before taxation and amortisation		5,670	6,205	16,454
Less: amortisation		(2,264)	(1,981)	(3,922)
Profit on ordinary activities before taxation		3,406	4,224	12,532
Income tax expense	2	(974)	(1,278)	(3,343)
(Loss)/profit on discontinued operations after taxation	3	(169)	(38)	696
Net profit for the period		2,263	2,908	9,885

1. Segmental information (continued)

	Notes	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
Segmental profit after amortisation:				
Legal and Regulatory		4,728	4,502	12,985
Business Information		218	45	1,822
Total segmental profit		4,946	4,547	14,807
Less: unallocated central overheads including central amortisation		(1,055)	(939)	(2,244)
Profit from continuing operations before non-recurring items		3,891	3,608	12,563
Add: non-recurring items		–	1,208	1,208
Profit from continuing operations after non-recurring items		3,891	4,816	13,771
Less: finance costs		(485)	(592)	(1,239)
Profit on ordinary activities before taxation		3,406	4,224	12,532
Tax on ordinary activities	2	(974)	(1,278)	(3,343)
(Loss)/profit for the period from discontinued operations	3	(169)	(38)	696
Net profit for the period		2,263	2,908	9,885

Notes to the Accounts continued

2. Income tax expense

	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
The tax charge comprises:			
UK corporation tax at current rates	1,361	1,572	4,521
Adjustment to previous year	8	–	(12)
	1,369	1,572	4,509
Foreign tax	134	138	317
	1,503	1,710	4,826
Deferred tax credit	(529)	(432)	(1,483)
Income tax expense	974	1,278	3,343

3. (Loss)/profit for the period from discontinued operations

As explained in note 6, the Company sold certain of its businesses in August 2007. The results of these businesses are treated as discontinued operations, their net result has been included in the Consolidated Income Statement as the (loss)/profit on discontinued operations after taxation, and the comparatives have been restated on a consistent basis. Their results are as follows:

	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
Revenue	1,937	10,396	21,687
Expenses	(2,147)	(10,075)	(20,503)
(Loss)/profit before amortisation and taxation	(210)	321	1,184
Amortisation	(63)	(376)	(753)
(Loss)/profit before taxation	(273)	(55)	431
Attributable tax credit/(charge)	82	17	(129)
Net operating (loss)/profit attributable to discontinued operations	(191)	(38)	302
Profit on disposal of discontinued operations	496	–	246
Attributable tax (charge)/credit	(474)	–	148
	22	–	394
(Loss)/profit on discontinued operations after taxation	(169)	(38)	696

In addition this disposal has resulted in the realisation of a capital reserve of £949,000 before taxation which is required to be recognised in equity rather than the Income Statement.

4. Dividends

Amounts recognised as distributions to equity holders in the period.

	Six months ended 31 December 2007 (unaudited) Pence per share	Six months ended 31 December 2006 (unaudited) Pence per share	Twelve months ended 30 June 2007 (audited) Pence per share	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
Final dividends recognised as distributions in the period	4.00	2.70	2.70	3,352	2,257	2,257
Interim dividends recognised as distributions in the period	–	–	2.00	–	–	1,683
Total dividends paid	4.00	2.70	4.70	3,352	2,257	3,940
Dividend proposed	2.30	2.00	4.00	1,911	1,682	3,366

Notes to the Accounts continued

5. Earnings per share

To allow shareholders to gain a better understanding of the trading performance of the Group, an adjusted earnings per ordinary share has been calculated using an adjusted profit after taxation and minority interests but before amortisation of intangible assets, share based payments and post-taxation non-recurring costs.

(a) From continuing operations

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

	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
Earnings from continuing operations for the purpose of basic earnings per share excluding discontinued operations	2,194	2,762	8,550
Add: Amortisation (net of minority interest effect and deferred tax)	1,569	1,387	2,720
Non-recurring items after taxation	–	(846)	(846)
Share based payments (net of tax)	7	12	24
Earnings for the purposes of adjusted earnings per share	3,770	3,315	10,448

	Number	Number	Number
Weighted average number of ordinary shares for the purposes of basic and adjusted earnings per share after adjusting for treasury shares	83,860,262	83,862,081	83,989,179
Effect of dilutive potential ordinary shares			
Exercise of share options	308,794	216,812	317,924
Weighted average number of ordinary shares for the purposes of diluted earnings per share	84,169,056	84,078,893	84,307,103

Basic earnings per share	2.62p	3.29p	10.18p
Diluted earnings per share	2.61p	3.29p	10.14p
Adjusted basic earnings per share	4.50p	3.95p	12.44p
Adjusted diluted earnings per share	4.48p	3.94p	12.39p

5. Earnings per share (continued)

(b) From continuing and discontinued operations

	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
Earnings from continuing operations for the purpose of basic earnings per share excluding discontinued operations	2,194	2,762	8,550
Adjustments to include the (loss)/profit for the period from discontinued operations	(169)	(38)	696
Earnings from continuing and discontinued operations for the purpose of basic earnings per share	2,025	2,724	9,246
Add: Amortisation (net of minority interest effect and deferred tax)	1,613	1,650	3,247
Non-recurring items after taxation	–	(846)	(846)
Share based payments (net of tax)	7	12	24
Earnings for the purposes of adjusted earnings per share	3,645	3,540	11,671
Basic earnings per share	2.41p	3.25p	11.01p
Diluted earnings per share	2.41p	3.24p	10.97p
Adjusted basic earnings per share	4.35p	4.22p	13.90p
Adjusted diluted earnings per share	4.33p	4.21p	13.84p

(c) From discontinued operations

	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
Earnings from discontinued operations for the purpose of basic earnings per share	(169)	(38)	696
Add: Amortisation (net of minority interest effect and deferred tax)	44	263	527
Earnings for the purposes of adjusted earnings per share	(125)	225	1,223
Basic earnings per share	(0.20)p	(0.05)p	0.83p
Diluted earnings per share	(0.20)p	(0.05)p	0.83p
Adjusted basic earnings per share	(0.15)p	0.27p	1.46p
Adjusted diluted earnings per share	(0.15)p	0.27p	1.45p

Notes to the Accounts continued

6. Acquisitions and disposals

Acquisitions

On 27 November 2007 the Group acquired 80 per cent of the fully diluted share capital of The Matchett Group Limited for a cash consideration of £5.7m and the repayment of existing debt of £3.9m. Further consideration is payable in respect of the 80 per cent stake dependent on profits during the year ending 31 December 2008. The aggregate amount payable for the 80 per cent stake comprising the further consideration together with the initial consideration and repayment of debt is capped at £15m. Since acquisition The Matchett Group Limited has generated revenue of £491,000 and contributed a profit before tax and amortisation to the Group of £71,000. Had the Group owned The Matchett Group Limited for the whole twelve months since 31 December 2006 it would have generated revenue of £8,651,000 and contributed a profit before tax and amortisation to the Group of £1,153,000.

Put and call options have been entered into by CLT Group whereby the 20 per cent shareholders of The Matchett Group Limited can require CLT Group to acquire their shares for a consideration based on a formula linked to future profits. Similarly from 2015, CLT Group can require any remaining minority shareholders to sell their shares to CLT Group, again based on a formula linked to profits. The amount payable under the arrangements is capped at £21m (including the initial and deferred consideration and debt repayments).

Assets and liabilities of subsidiary undertaking acquired:

	Book value £'000	Adjustments £'000	Fair value £'000
Property, plant and equipment	164	–	164
Inventories	29	–	29
Trade and other receivables	1,273	–	1,273
Cash	123	–	123
Trade and other payables	(1,904)	–	(1,904)
Intangible assets	–	8,008	8,008
Deferred tax	18	(2,242)	(2,224)
	(297)	5,766	5,469
Less: minority interests			(702)
			4,767
Goodwill arising on consolidation			6,871
Consideration			11,638
Satisfied by cash (including acquisition costs)			9,673
Deferred consideration			1,965
			11,638

6. Acquisitions and disposals (continued)

Provisional calculations have been made in respect of fair value adjustments and to reflect alignment with the Group's accounting policies. At this stage the fair value of the assets and liabilities acquired has not yet been finalised. Full details will be given in the Group accounts for the twelve months ending 30 June 2008.

Disposals

On 14 August 2007 the Company sold all of its interest in Wilmington Media Limited, Dewberry Redpoint Limited and Office Solutions Media Limited for a cash consideration net of disposal costs (including the costs of providing transitional services to the businesses disposed of) of £10.2m which has resulted in a modest gain on disposal (see note 3).

7. Net Cash from Operating Activities

	Six months ended 31 December 2007 (unaudited) £'000	Six months ended 31 December 2006 (unaudited) £'000	Twelve months ended 30 June 2007 (audited) £'000
Profit from operations after non-recurring items	3,891	4,816	13,771
Non-recurring items	–	(1,208)	(1,208)
Profit from operations before non-recurring items	3,891	3,608	12,563
Cash effect of non-recurring items	–	208	–
	3,891	3,816	12,563
Operating (loss)/profit from discontinued operations	(273)	(55)	431
Depreciation of property, plant and equipment	636	717	1,519
Amortisation of intangible assets	2,327	2,357	4,675
(Profit)/loss on disposal of property, plant and equipment	(5)	1	10
Exchange translation differences	(5)	(21)	–
Share option charge	10	17	34
Operating cash flows before movements in working capital	6,581	6,832	19,232
(Increase) in inventories	(689)	(528)	(69)
Decrease/(increase) in receivables	2,483	1,381	(3,097)
(Decrease)/increase in payables	(2,695)	(4,089)	2,900
Cash generated by operations	5,680	3,596	18,966
Tax paid	(2,013)	(1,096)	(3,902)
Interest paid	(473)	(588)	(1,351)
Net cash flow from operating activities	3,194	1,912	13,713

Notes to the Accounts continued

8. Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group remain those detailed on pages 7 and 8 of the Annual Report for the twelve months ended 30 June 2007, a copy of which is available on the Company's website at www.wilmington.co.uk.

The Interim Management Report in this Interim Report includes a comment on the outlook for the Group for the remaining six months of the financial year.

9. Related party transactions

The only related party transactions to have taken place during the first half year were normal business transactions between the Group and its subsidiary undertakings.

10. Nature of Information

The Interim Report, which has not been audited, was approved by the directors on 27 February 2008.

The Interim Report has been prepared in accordance with the EU endorsed standard IAS 34 'Interim Financial Reporting'. This interim financial information has been prepared on the basis of the accounting policies adopted in the most recent annual financial statements, these being for the year ended 30 June 2007.

The interim financial information for the six months to 31 December 2007 and the comparative figures for the six months to 31 December 2006 are unaudited. The comparative figures for the financial year ended 30 June 2007 are an abridged version of the statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

The Interim Report has been sent to all shareholders, is available on our website www.wilmington.co.uk and is available to the public from the registered office.

Responsibility Statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU;

- The Interim Report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being 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 year; and

  (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board

R Basil Brookes
Group Finance Director
27 February 2008

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