

**WORK GROUP PLC**  
(the “Company” or the “Group”)

**Unaudited Interim Results for the six months ended 30 June  
2016**

**Headlines**

- Following the sale of overseas and UK business to Capita plc on 31 December 2015, Work Group plc was re-admitted to trading on the AIM market as an “Investing Company” under AIM Rule 15.
- Loss before taxation: £227,000 (2015: £659,000).
- Net cash / (borrowing) at 30 June 2016: £812,000 (2015: £ (36,000)).
- Focus on finding suitable candidate for acquisition to fulfil stated investing strategy.

**Enquiries:**

**Work Group**

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**(Nominated Adviser & Broker)**

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**Chairman’s Statement**

Following the completion of the sale of our subsidiaries and UK business operations at last year end, the first six months of the current financial year have been spent managing the remaining assets and liabilities to maximize our cash resources.

We vacated our Marble Arch Tower premises at the end of January and moved into short term serviced accommodation in Hanover Square. Our overseas offices, together with premises in Birmingham and Colchester, transferred as part of the sale arrangements leaving only our lease in Hale, Manchester. We have tried to find a solution to disposing of this lease which runs until April 2017, but to date we have no satisfactory answer.

We have strived to reduce our operating costs to the minimum commensurate with our obligations as a public company and have been focused on finding a suitable acquisition to allow us to fulfil our stated investing strategy.

We continue to make progress with this and a full announcement will be made at the appropriate time. Any acquisition will be subject to the approval of our shareholders at a General Meeting.

**Simon Howard**  
**Executive Chairman**

27 September 2016

**Consolidated income statement  
for the six-month period ended 30 June 2016**

		Six months ended	Six months ended	Year ended
	Note	30-Jun-16	30-Jun-15 (restated)	31-Dec-15
		Unaudited	Unaudited	Audited
		£'000	£'000	£'000
<b>Continuing operations</b>				
Gross profit (net fee income)		-	-	-
Net operating expenses		(232)	(361)	(896)
<b>Operating Loss</b>		<b>(232)</b>	<b>(361)</b>	<b>(896)</b>
<b>Analysed as:</b>				
Operating Loss before exceptional items		(232)	(361)	(692)
Exceptional items	2	-	-	(204)
Finance costs		-	(8)	(16)
<b>Loss before taxation</b>		<b>(232)</b>	<b>(369)</b>	<b>(912)</b>
Income tax expense	3	-	-	(22)
<b>Loss from continuing operations</b>		<b>(232)</b>	<b>(369)</b>	<b>(934)</b>
<b>Discontinued operation</b>				
Profit/(loss)from discontinued operation, net of tax		5	(290)	1,506
<b>Profit/(loss)from the period/year attributable to owners of the company</b>		<b>(227)</b>	<b>(659)</b>	<b>572</b>
<b>Basic profit(loss) per share (pence)</b>				
From continuing operations		(0.81)	(1.29)	(3.26)
From discontinued operation		0.02	(1.01)	5.26
	4	<b>(0.79)</b>	<b>(2.30)</b>	<b>2.00</b>

**Consolidated statement of comprehensive income  
for the six-month period ended 30 June 2016**

	<b>30-Jun-16</b>	<b>30-Jun-15</b>	<b>31-Dec-15</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Loss for the period</b>	<b>(227)</b>	<b>(659)</b>	<b>572</b>
<b>Other comprehensive income</b>			
Currency translation differences	<b>(8)</b>	<b>(4)</b>	<b>(57)</b>
<b>Total comprehensive loss for the period</b>	<b>(235)</b>	<b>(663)</b>	<b>515</b>

**Consolidated balance sheet  
as at 30 June 2016**

	30-Jun-16	30-Jun-15	31-Dec-15
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	89	2
Intangible assets	-	89	-
Deferred tax asset	-	21	-
	<b>5</b>	<b>199</b>	<b>2</b>
<b>Current assets</b>			
Inventories	-	(313)	-
Trade and other receivables	159	1,485	482
Cash and cash equivalents	812	(36)	1,699
	<b>971</b>	<b>1,136</b>	<b>2,181</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	(409)	(1,432)	(1,388)
Current tax liabilities	-	(309)	-
	<b>(409)</b>	<b>(1,741)</b>	<b>(1,388)</b>
<b>Net current assets/(liabilities)</b>	<b>562</b>	<b>(605)</b>	<b>793</b>
<b>Net assets/(liabilities)</b>	<b>567</b>	<b>(406)</b>	<b>795</b>
<b>Shareholders' equity</b>			
Ordinary share capital	572	572	572
Share premium	8,239	8,239	8,240
Special reserve	2,826	2,826	2,826
Shares held by EBT	(312)	(334)	(312)
Foreign exchange reserves	-	53	-
Retained earnings/(losses)	(10,758)	(11,762)	(10,531)
<b>Total equity</b>	<b>567</b>	<b>(406)</b>	<b>795</b>

**Consolidated cash flow statement  
for the six-month period ended 30 June 2016**

	Six months ended		Year ended
	30-Jun-16	30-Jun-15	31-Dec-15
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
<b>Cash flows from operating activities</b>			
Cash used in operations	(890)	(157)	(123)
Interest paid	0	(11)	(22)
Tax received/(paid)	-	-	
<b>Net cash used in operating activities</b>	<b>(890)</b>	<b>(168)</b>	<b>(145)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(3)	(9)	(14)
Proceed from disposal of property, plant and equipment	6	-	36
Proceeds from disposal of business	-	-	1,682
<b>Net cash generated from / (used in) investing activities</b>	<b>3</b>	<b>(9)</b>	<b>1,704</b>
<b>Net increase / (decrease) in cash and cash equivalents in the period/year</b>	<b>(887)</b>	<b>(177)</b>	<b>1,559</b>
<b>Cash and cash equivalents at start of period/year</b>	<b>1,699</b>	<b>140</b>	<b>140</b>
<b>Cash and cash equivalents at end of period/year</b>	<b>812</b>	<b>(36)</b>	<b>1,699</b>

**Notes to the interim financial information  
for the six-month period ended 30 June 2016**

**1 Financial information and presentation**

The Company is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is suite 2.01, 17 Hanover Square, London, W1S 1BN.

The Company has its primary listing on AIM, a market operated by the London Stock Exchange.

This condensed consolidated Interim Report does not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2015 were approved by the Board of Directors and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain any statement under section 498 of the Companies Act 2006.

**Going Concern**

The accounts have been prepared on the basis on the principle of going concern.

In preparing those accounts on a going concern basis, the directors have had to consider the possibility that the Company will not fulfil its investing strategy and instead should liquidate the remaining assets and pay off all liabilities thereby returning any proceeds to its shareholders. The potential impact of not adopting a going concern basis is that the Company should, in addition to the impairments it has already undertaken, consider additional impairments and provide for the costs associated with the liquidation of the Company.

For the year ended 31 December 2015 following the disposal of the overseas trading subsidiaries and the trade and asserts of Work Group Resources Limited as at 31 December 2015, any remaining assets have been fully impaired.

**2 Principal accounting policies**

**Basis of preparation**

These condensed consolidated financial information is for the half-year ended 30 June 2016 and has been prepared in accordance with AIM Rules and accounting policies set out in the Group's 2015 Annual Report as amended for the new standards effective during the period where relevant. These accounting policies are based on the EU-adopted IFRS and IFRIC interpretations that are applicable at the balance sheet date. IFRS and IFRIC interpretations that are applicable at 31 December 2016, including those that will be applicable on an optional basis have not been applied. It is therefore possible that further changes may be required before publication of the 2016 annual report and accounts.

**Exceptional items**

Exceptional items are those income or costs recognized as one-off or non-recurring in nature, and substantive in size. There are no exceptional items for the six-month period ended 30 June 2016.

**3 Taxation**

The deferred tax asset for the six-month period ended 30 June 2015 is based on the estimated expected effective tax rate of 21.49 per cent. (2014 actual rate: 20 per cent.). No taxation has been provided on profits of overseas subsidiaries because of prior year losses brought forward.

#### 4 Earnings per share

	6 months ended 30-Jun-16			6 months ended 30-Jun-15			Year ended 31-Dec-15		
	Unaudited			Unaudited			Audited		
	Loss £'000	Weighted average number of shares '000	Per share amount pence	Loss £'000	Weighted average number of shares '000	Per share amount pence	Profit £'000	Weighted average number of shares '000	Per share amount pence
Basic Profit/(loss) per share including shares held by EBT	(227)	28,622	(0.79)	(659)	28,622	(2.30)	572	28,622	2.00
Less weighted average shares held by EBT	-	(3,595)	(0.11)	-	(3,595)	(0.33)	-	(3,595)	0.16
Basic Profit/(loss) per share excluding shares held by EBT	(227)	25,028	(0.91)	(659)	25,028	(2.63)	572	25,028	2.16

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year excluding treasury shares and shares held by the EBT which are treated as treasury shares.

#### 5 Reconciliation of operating loss to cash used in operations

	Six-month period ended		Year ended
	30-Jun-16	30-Jun-15	31-Dec-15
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Profit /(loss) attributable to shareholders	(227)	(659)	572
Foreign exchange loss on Intercompany recharges	1	1	-
<b>Adjustments:</b>			
Taxation	-	(1)	22
Finance costs	-	11	16
Depreciation of plant property and equipment/write off of assets	-	65	111
Amortisation of intangible assets	-	-	100
Proceeds from disposal of assets	(6)	-	-
Treasury shares movement	-	(21)	-
Debtor (creditor) accrual release	(147)	-	-

Decrease in inventories	-	420	108
Decrease in trade and other receivables	382	132	1,158
Decrease in trade and other payables	(894)	(106)	(475)
Discontinued operations	-	-	(1,735)
<b>Cash used in operations</b>	<b>(890)</b>	<b>(157)</b>	<b>(123)</b>

## 6 Post balance sheet events

There is no major post balance sheet event.

## Statement of directors' responsibilities

The directors confirm that this Interim Report has been prepared in accordance with AIM rules and accounting policies set out in the Group's 2015 annual report as amended for new standards effective during the period.

The directors are also responsible for the maintenance and integrity of the Company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors of Work Group plc are listed in the Company's Annual Report for 31 December 2015. A list of current directors is maintained on the Work Group plc website: [www.workgroupplc.com](http://www.workgroupplc.com).

## 7 Principal risks and uncertainties

At present, following the disposal of the Company's trading operations on 31 December 2015, the focus of monitoring risk and KPI's relate solely to the preservation of cash and the search for a suitable reverse acquisition opportunity.

To preserve cash, the Group has sought to eliminate all unnecessary overheads, reduced property rental obligations and concentrated on the collection of all sums owed to the Group following the sale of the business and the search for a new occupant for the Hale property that has stayed empty.

The search for a suitable acquisition opportunity that meets the Company's investing policy has involved wide ranging contact with brokers and other professional advisers operating in the AIM market.

The principal risk faced by the Group would be the failure to execute its chosen strategy of finding a suitable candidate for a reverse takeover before 31 December 2016.

The principal uncertainty will relate to stock market and general economic conditions which would affect the ability to complete a transaction.

The directors are aware that to maximize shareholders' value requires a combination of preserving cash and optimizing a reverse takeover. This would thereby increase the value compared to the alternative of liquidating itself and returning remaining cash shareholders.

**By order of the Board**



**Simon Howard**

**Executive Chairman**

27 September 2016