**WORK GROUP PLC**
**(the "Company" or the "Group")**

**Unaudited Interim Results for the six months ended 30 June 2017**

**Headlines**

- As an AIM market Rule 15 'Investing Company' the first six months of 2017 was spent finalising the agreed reverse takeover of The Gordon Dadds Group Limited and the associated financing announced on 12 July 2017, subject, inter alia, to shareholders' permission.

- Loss before taxation: £212,000 (2016: loss £227,000) including both due diligence and transaction costs associated with reverse takeover.

- Net cash at 30 June 2017: £229,000 (2015: £812,000).

- Subject to approval of transaction in General Meeting on 3 August 2017, the Company will be renamed Gordon Dadds Group plc and trading in shares will recommence on 4 August 2017.

**Enquiries:**


| | |
|---|---|
| **Work Group plc**<br>Simon Howard, Chairman | via Newgate |
| **Arden Partners, Nominated Adviser and Broker to Work Group**<br>John Llewellyn-Lloyd / Ciaran Walsh | +44 (0)20 7614 5900 |
| **Newgate Communications**<br>Adam Lloyd / Bob Huxford | +44 (0)20 7680 6550 |


A copy of this announcement is available on the Company's website at www.workgroupplc.com.

**Chairman's Statement**

For the period to 30 June 2017 we have been working to conclude our negotiations and due diligence on the proposed reverse take-over of the Gordon Dadds Group Limited. We announced an agreed takeover, subject inter-alia to shareholders' authority, on 12 July 2017.

We have continued to manage our remaining liabilities, including the termination of the sole outstanding property lease, while conserving cash. The losses for the period include transaction costs and advisory fees related to the proposed reverse take-over transaction.

The General Meeting, scheduled to take place today at 1pm, is expected to approve the transaction which will then conclude our AIM Rule 15 'investing company' status. We expect share trading to re-commence on 4 August 2017 following the proposed change of name to Gordon Dadds Group plc.

**Simon Howard**
**Executive Chairman**
3 August 2017

## Consolidated income statement
## for the six-month period ended 30 June 2017

| | Note | **Six months ended** | Six months ended restated | Year ended |
|---|---|---|---|---|
| | | **30-Jun-17** | 30-Jun-16 | 31-Dec-16 |
| | | **Unaudited** | Unaudited | Audited |
| | | **£'000** | £'000 | £'000 |
| Gross profit (net fee income) | | **-** | - | 3 |
| Net operating expenses | | **-212** | -227 | -500 |
| **Operating Loss** | | **-212** | -227 | -497 |
| **Analysed as:** | | | | |
| Operating Loss | | **-212** | -227 | -497 |
| Finance income | | **-** | - | 2 |
| **Loss before taxation** | | **-212** | -227 | -495 |
| Income tax expense | | **-** | - | - |
| **Loss from continuing operations** | | **-212** | -227 | -495 |
| **Profit/(loss)from the period/year attributable to owners of the company** | | **-212** | -227 | -495 |
| **Basic profit(loss) per share (pence)** | | | | |
| From continuing operations | | **-0.74** | -0.79 | -1.73 |
| | 3 | **-0.74** | -0.79 | -1.73 |

**Consolidated statement of comprehensive income**
**for the six-month period ended 30 June 2017**

| | **30-Jun-17** | 30-Jun-16 | 31-Dec-16 |
|---|---|---|---|
| | **£’000** | £’000 | £’000 |
| **Loss for the period** | **(212)** | **(227)** | (495) |
| **Other comprehensive income** | | | |
| Currency translation differences | **-** | **(8)** | - |
| **Total comprehensive loss for the period** | **(212)** | **(235)** | **(495)** |

## Consolidated balance sheet
## as at 30 June 2017

| | **30-Jun-17** | 30-Jun-16 | 31-Dec-16 |
|---|---|---|---|
| | **Unaudited** | Unaudited | Audited |
| | **£'000** | £'000 | £'000 |
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | **-** | 5 | - |
| Intangible assets | **-** | - | - |
| Deferred tax asset | **-** | - | - |
| | **-** | 5 | - |
| **Current assets** | | | |
| Inventories | **-** | - | - |
| Trade and other receivables | **41** | 159 | 68 |
| Cash and cash equivalents | **229** | 812 | 541 |
| | **270** | 971 | 609 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | **-182** | -409 | -309 |
| Current tax liabilities | **-** | - | - |
| | **88** | -409 | -309 |
| **Net current assets/(liabilities)** | **88** | 562 | 300 |
| **Net assets/(liabilities)** | **88** | 567 | 300 |
| **Shareholders' equity** | | | |
| 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** | -312 | -312 |
| Foreign exchange reserves | **-** | - | - |
| Retained earnings/(losses) | **-11,238** | -10,758 | -11,026 |
| **Total equity** | **88** | 567 | 300 |

## Consolidated cash flow statement
## for the six-month period ended 30 June 2017

| | Six months ended | | Year ended |
|---|---|---|---|
| | **30-Jun-17** | 30-Jun-16 | 31-Dec-16 |
| | **Unaudited** | Unaudited | Audited |
| | **£'000** | £'000 | £'000 |
| **Cash flows from operating activities** | | | |
| Cash used in operations | **-312** | -890 | -1,166 |
| Interest received paid | **-** | - | 3 |
| **Net cash used in operating activities** | **-312** | -890 | -1,163 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | **-** | -3 | -3 |
| Proceed from disposal of property, plant and equipment | **-** | 6 | 8 |
| **Net cash generated from / (used in) investing activities** | **-** | 3 | 5 |
| **Net increase / (decrease) in cash and cash equivalents in the period/year** | **-312** | -887 | -1,158 |
| **Cash and cash equivalents at start of period/year** | **541** | 1,699 | 1,699 |
| **Cash and cash equivalents at end of period/year** | **229** | 812 | 541 |

**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 6 Agar Street, London WC2N 4HN.

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 2016 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.

Attention is drawn to Note 5 below, Post Balance Sheet events.

## 2 Principal accounting policies

### Basis of preparation

These condensed consolidated financial information is for the half-year ended 30 June 2017 and has been prepared in accordance with AIM Rules and accounting policies set out in the Group's 2016 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 2017, 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 2017 annual report and accounts.

## 3 Earnings per share

| | **6 months ended 30-Jun-17** | | | 6 months ended 30-Jun-16 | | | Year ended 31-Dec-16 | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Unaudited** | | | Unaudited | | | Audited | | |
| | **Loss** | **Weighted average number of shares** | **Per share amount** | Loss | Weighted average number of shares | Per share amount | Loss | Weighted average number of shares | Per share amount |
| | **£'000** | **'000** | **pence** | £'000 | '000 | pence | £'000 | '000 | pence |
| Basic Loss per share including shares held by EBT | **(212)** | **28,622** | **(0.74)** | (227) | 28,622 | (0.79) | (495) | 28,622 | (1.73) |
| Less weighted average shares held by EBT | **-** | **(3,595)** | **0.10** | - | (3,595) | 0.11 | - | (3,595) | 0.25 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Basic Loss per share excluding shares held by EBT | **(227)** | **25,028** | **(0.84)** | (227) | 25,028 | (0.90) | 572 | 25,028 | -1.98 |

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.

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

| | **Six-month period ended** | | Year ended |
|---|---|---|---|
| | **30-Jun-17** | 30-Jun-16 | 31-Dec-16 |
| | **Unaudited** | Unaudited | Audited |
| | **£'000** | £'000 | £'000 |
| Profit /(loss) attributable to shareholders | **-212** | -227 | -495 |
| Foreign exchange loss on Intercompany recharges | **-** | 1 | - |
| **Adjustments:** | | | |
| Finance costs | **-** | - | -2 |
| Depreciation of plant property and equipment/write off of assets | **-** | - | 5 |
| Proceeds from disposal of assets | **-** | -6 | - |
| Debtor (creditor) accrual release | **-88** | -147 | - |
| Decrease in inventories | **-** | - | - |
| Decrease in trade and other receivables | **118** | 382 | 414 |
| Decrease in trade and other payables | **-130** | -894 | -1,088 |
| **Cash used in operations** | **-312** | **-890** | **-1,166** |

### 5 Post balance sheet events

On 12July 2017 the Company announced:

''Work Group (AIM: WORK) is pleased to announce that it has conditionally offered to purchase Gordon Dadds Group Limited ("Gordon Dadds"), an acquisitive London based law firm, via a share offer for an aggregate consideration of £18.8 million, to be satisfied by the allotment and issue of 13,417,143 New Ordinary Shares at a post-Consolidation price of 140 pence per share (4.375 pence per share on a pre-Consolidation basis) ("Acquisition").

Alongside the Acquisition, Work Group also announces that it has successfully raised £20 million via a conditional placing of new ordinary shares in Work Group at a post-Consolidation placing price of 140 pence per share (4.375 pence per share on a pre-Consolidation basis) ("Placing Price") to institutional investors ("Placing").''

A General Meeting to approve the acquisition and related financing will be held at 1pm on 3 August 2017 and it is expected that the enlarged group, to be renamed The Gordon Dadds Group plc will recommence trading on 4 August 2017

The directors confirm that this Interim Report has been prepared in accordance with AIM rules and accounting policies set out in the Group's 2016 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 2016. A list of current directors is maintained on the Work Group plc website: www.workgroupplc.com.

**Principal risks and uncertainties**

Following the disposal of the Company's trading operations on 31 December 2015, the focus of monitoring risk and KPI's has related 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 negotiations of relating to the end of the lease in Hale, Cheshire which had stayed empty following the sale of business operations.

The search for a suitable acquisition opportunity that met the Company's involved wide-ranging contact with brokers and other professional advisers operating in the AIM market. Since identifying a suitable candidate, as outlined in Note 5, above there has been extended negotiations and due diligence.

Given it is anticipated that approval will be given in General Meeting on 3 August 2017 to complete the proposed transaction the Directors believe that the risks outlined above will thereby be abated.

**By order of the Board**

**Simon Howard**
**Executive Chairman**
3 August 2017