WALKER CRIPS GROUP PLC

19th November 2015

Results for the six months ended 30 September 2015

Walker Crips Group plc ("Walker Crips", the "Company" or the "Group"), is a financial services group with activities including stockbroking, investment and wealth management

HIGHLIGHTS

- Group revenues increased by 22% to £13.3m (2014: £10.9m)
- Gross profit (net revenues) increased by 20% to £8.9m (2014: £7.4m)
- Increase in FSCS Levy charged to income for the period to £402,000 (2014 restated: £310,000) being a full year's cost taken completely in the first half year under IFRIC21
- Profit before taxation up five-fold to £589,000 (2014 restated: £115,000)
- Interim dividend increased by 9% to 0.58p per share (2014: 0.53p per share)
- Fee and non-broking income now 60% of total income (2014: 57%), reflecting the strategy to reduce reliance on transaction-driven commission revenue
- Total Assets under Management and Administration (AUMA) increased by 22% to £3.9 billion (30 Sep 2014: £3.2 billion; 31 Mar 2015: £3.8 billion)
- Discretionary and Advisory Assets under Management represent £2.1 billion (30 September 2014: £1.6 billion), an increase of 31%

David Gelber, Chairman, Walker Crips, says:

"In my year end statement I reported that the Group had started its new financial year strongly. I am pleased to report that this trend has continued, despite difficult markets, and is reflected in the significant progress we have made during the first half.

"Following its acquisition in March 2015, Barker Poland Asset Management has made its first full contribution to our results and we continue to increase the proportion of our revenues earned as fees, rather than through transaction-driven commissions.

"Whilst striving to set higher regulatory standards and client service levels, incurring increasing related costs, we continue to drive our strategy for growth, with its focus on premium service and integrity in all we do for clients. This will enable us to deliver further value to shareholders through increasing dividends as we look to the future with growing confidence."

For further information, please contact:

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Further information on Walker Crips Group is available on the Company's website: www.wcgplc.co.uk

Chairman's Statement

Introduction

In my year end statement I reported that the Group had started its new financial year strongly, I am pleased to report that this trend has continued, despite difficult markets, and is reflected in the significant progress we have made during the first half. A rise in Revenue of 22% to £13.3 million for the first half of our current year has underpinned the strong increase in profit before tax to £0.6 million, which has increased more than five-fold when compared to the prior year.

It is also pleasing to record that, following its acquisition in March 2015, Barker Poland Asset Management (BPAM) has made its first full contribution to our results in line with expectations. This has also helped to materially increase the proportion of our revenues earned as fees, rather than through transaction-driven commissions.

Despite an increase in administrative expenses, a material proportion of which relate to the development and growth of acquired businesses, the growth in revenue led to a substantially improved profit before tax for the period, from the restated prior period amount of £0.1 million to £0.6 million.

These results also include uncontrollable costs levied by the Financial Services Compensation Scheme (FSCS) of £402,000 (2014 restated: £310,000) being an increase of 30% over the prior period levy. These results include the impact of reporting the entire annual FSCS charge in the first half of both years following the adoption of IFRIC 21 (see Note 1)

The Board is further encouraged by growth of 31% in Discretionary and Advisory Assets under Management over the last 12 months and of 5% over the current six month period during which the value of the FTSE100 Index recorded a material decrease.

Trading

Gross Profit (Net Revenue) in the Period increased by 20% to £8.9 million (2014: £7.4 million), further demonstrating the pleasing rate of growth driven by our strategy for our Investment and Wealth Management businesses in the last few years.

Non-broking income as a proportion of total income increased to 60% (2014: 57%) as the conversion of our client base to discretionary or portfolio-managed mandates gathers pace, fuelled by incoming new advisers and the fee-based revenue stream of our latest corporate acquisition, BPAM.

Higher employment costs, particularly in revenue generating areas, will yield correspondingly higher revenues after the inevitable delay in transferring new clients and assets across. Overall administrative expenses in the Period were £8.4 million (2014 restated: £7.4 million).

After payment of the final dividend in relation to the previous year end, at the Period end, the Group had net assets of £21.0 million (31 March 2015: £21.0 million) including net cash of £6.9 million (31 March 2015: £6.5 million), a very strong balance sheet from which to generate further growth in line with the Board's Strategic Plan.

Operations

Investment Management

Discretionary and Advisory assets under management at the Period end were £2.1 billion (30 September 2014: £1.6 billion; 31 March 2015: £2.0 billion). This increase over the prior year is a clear reflection of the Company's greater emphasis on fee generation rather than transactional brokerage. Discretionary assets were £0.94 billion (30 September 2014: £0.57 billion) and Advisory assets were £1.19 billion (30 September 2014: £0.98 billion).

Revenues from the Investment Management division increased by 26% during the Period to £12.0 million (2014: £9.5 million), a significant improvement driven primarily by additional revenue from our acquisition BPAM and business transferred in by new investment managers and advisers.

Against the backdrop of a continuing low interest rate environment, our Structured Investments business has delivered a strong performance for the first half of this year. The demand for our award winning product range continues to be high amongst investors seeking the balance between equity exposure and capital preservation, a key element in our defensive range of structured investments.

Wealth Management
Revenues and profits dipped by 10% and 34% respectively when compared to an exceptionally good first 6 months last year at our York-managed wealth management division. However when compared with the 6 months to 31 March 2015, I am pleased to report an improvement to both gross revenue (up 18.5%) and profits (up 32%). Importantly and despite market falls, AUMA of this division (an increasingly significant measure) has increased by 10.4% to £479m (2014: £434m).

Dividend
An increase of 9.4% in the interim dividend to 0.58 pence per share (2014: 0.53 pence per share) recognises the encouraging progress being made in the Group's trading performance and the confidence of much greater profitability in the near future. The interim dividend will be paid on 11 December 2015 to those shareholders on the register at the close of business on 27 November 2015.

Directors, Account Executives and Staff
I would like to thank all my fellow directors, account executives and members of staff for their continued support. Their professionalism, diligence and loyalty in recent years give the Company every reason to be regarded as a special place to work, as we now start to bear the fruits directly resulting from our collective efforts.

Outlook
Whilst striving to set higher regulatory standards and client service levels, incurring increasing related costs, we continue to drive our strategy for growth, with its focus on premium service and integrity in all we do for clients. This will enable us to deliver further value to shareholders through increasing dividends as we look to the future with growing confidence.

Alongside our expansion through the addition of capable individuals who bring expertise and clients, we also continue to evaluate target companies and businesses for suitably measured and value-added acquisitions.

Although we remain cautious due to continued market volatility, I am pleased to report the Group has continued trading profitably since the Period end and that it remains in a strong financial position.

D. M. Gelber
Chairman
19 November 2015
Walker Crips Group plc

Walker Crips Group plc
Condensed Consolidated Income Statement
For the six months ended 30 September 2015

	Notes	Unaudited Six months to 30 September 2015 £'000	Unaudited Six months to 30 September 2014 £'000 (restated –note 1)	Audited Year to 31 March 2015 £'000
Continuing operations				
Revenue	2	13,265	10,881	22,944
Commission payable		(4,397)	(3,507)	(7,653)
Gross profit		8,868	7,374	15,341
Share of after tax profit of joint venture		6	7	13
Administrative expenses		(8,372)	(7,408)	(15,139)
Operating profit/(loss)		**502**	**(27)**	**215**
Investment revenues		88	143	225
Finance costs		(1)	(1)	(1)
Profit before tax		**589**	**115**	**439**
Taxation		(130)	(32)	(182)
Profit for the period attributable to equity holders of the company		**459**	**83**	**257**
Earnings per share	4			
Basic		1.22p	0.22p	0.69p
Diluted		1.22p	0.22p	0.68p

Walker Crips Group plc

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2015

	Unaudited Six months to 30 September 2015 £'000	Unaudited Six months to 30 September 2014 £'000 (restated –note 1)	Audited Year to 31 March 2015 £'000
Profit for the period	459	83	257
Other comprehensive income:			
(Loss) on revaluation of available-for-sale investments taken to equity	-	-	(88)
Deferred tax on profit on available-for-sale investments	-	-	28
Total comprehensive income for the period attributable to equity holders of the company	459	83	197

Walker Crips Group plc
Condensed Consolidated Statement of Financial Position
As at 30 September 2015

	Notes	Unaudited 30 September 2015 £'000	Unaudited 30 September 2014 £'000 (restated –note 1)	Audited 31 March 2015 £'000
Non-current Assets				
Goodwill		4,388	2,901	4,388
Other intangible assets		6,580	1,148	6,631
Property, plant and equipment		960	801	1,110
Investment in joint ventures		34	34	28
Available for sale investments	3	1,034	2,458	2,417
		12,996	7,342	14,574
Current Assets				
Trade and other receivables		41,068	29,413	28,332
Trading Investments		1,793	2,015	2,701
Cash and cash equivalents		6,916	7,857	6,635
		49,777	39,285	37,668
Total assets		62,773	46,627	52,242
Current liabilities				
Trade and other payables		(38,168)	(25,238)	(27,537)
Current tax liabilities		(363)	(355)	(239)
Bank Overdrafts		(6)	(40)	(134)
Deferred tax liabilities		(740)	(202)	(741)
Shares to be issued		(362)	-	(298)
		(39,639)	(25,835)	(28,949)
Net current assets		10,138	13,450	8,719
Long term liability – deferred cash consideration		(1,815)	-	(1,930)
Long term liability – shares to be issued		(348)	-	(453)
Net assets		20,971	20,792	20,910
Equity				
Share capital		2,551	2,515	2,545
Share premium account		2,023	1,818	1,988
Own shares		(312)	(312)	(312)
Revaluation reserve		767	827	767
Other reserves		4,668	4,668	4,668
Retained earnings		11,274	11,276	11,254
Equity attributable to equity holders of the company		20,971	20,792	20,910

Walker Crips Group plc
Condensed Consolidated Statement of Cash Flows
For the six months ended 30 September 2015

	Unaudited Six months to 30 September 2015 £'000	Unaudited Six months to 30 September 2014 £'000	Audited Year to 31 March 2015 £'000
Operating activities			
Cash (used by)/generated from operations	(1,243)	953	3,806
Interest received	39	46	78
Interest paid	(1)	(1)	(1)
Tax paid	(6)	-	(337)
Net cash (used) by/generated from operating activities	(1,211)	998	3,546
Investing activities			
Purchase of property, plant and equipment	(109)	(104)	(565)
Purchase of intangible assets	(170)	(116)	(765)
Net sale \(purchase) of investments held for trading	908	(345)	(1,031)
Consideration paid on acquisition of subsidiary	-	-	(1,875)
Net sale proceeds of available for sale investments	1,383	-	-
Dividends received	47	43	42
Net cash generated from/(used by) investing activities	2,059	(522)	(4,190)
Financing activities			
Dividends paid	(439)	(762)	(958)
Net cash used in financing activities	(439)	(762)	(958)
Net increase/(decrease) in cash and cash equivalents	409	(286)	(1,602)
Net cash and cash equivalents at the start of the period	6,501	8,103	8,103
Net Cash and cash equivalents at the end of the period	6,910	7,817	6,501
Cash and cash equivalents	6,916	7,857	6,635
Bank overdrafts	(6)	(40)	(134)
	6,910	7,817	6,501

Walker Crips Group plc
Condensed Consolidated Statement Of Changes In Equity
For the six months ended 30 September 2015 (£000's)

	Called up share capital	Share premium	Own shares held	Capital Redemption	Other	Revaluation	Retained earnings	Total Equity
Equity as at 31 March 2014	**2,515**	**1,818**	**(312)**	**111**	**4,557**	**827**	**11,955**	**21,471**
Profit for the 6 months ended 30 September 2014 **(restated –note 1)**	-	-	-	-	-	-	83	83
Total recognised income and expense for the period **(restated –note 1)**	-	-	-	-	-	-	83	83
March 2014 final dividend	-	-	-	-	-	-	(392)	(392)
Special final dividend	-	-	-	-	-	-	(370)	(370)
Equity as at 30 September 2014 (restated –note 1)	**2,515**	**1,818**	**(312)**	**111**	**4,557**	**827**	**11,276**	**20,792**
Revaluation of investment at fair value	-	-	-	-	-	(88)	-	(88)
Deferred tax charge to equity	-	-	-	-	-	28	-	28
Profit for the 6 months ended 31 March 2015	-	-	-	-	-	-	174	174
Total recognised income and expense for the period	-	-	-	-	-	(60)	174	114
September 2014 interim dividend	-	-	-	-	-	-	(196)	(196)
Issue of shares on acquisition of subsidiary	30	170	-	-	-	-	-	200
Equity as at 31 March 2015	**2,545**	**1,988**	**(312)**	**111**	**4,557**	**767**	**11,254**	**20,910**
Profit for the 6 months ended 30 September 2015	-	-	-	-	-	-	459	459
Total recognised income and expense for the period	-	-	-	-	-	-	459	459
March 2015 final dividend	-	-	-	-	-	-	(439)	(439)
Issue of shares on acquisition of intangible asset	6	35	-	-	-	-	-	41
Equity as at 30 September 2015	**2,551**	**2,023**	**(312)**	**111**	**4,557**	**767**	**11,274**	**20,971**

Walker Crips Group plc
Notes to the condensed consolidated financial statements
For the six months ended 30 September 2015

1. Basis of preparation and accounting policies
The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS). These condensed financial statements are presented in accordance with IAS 34 *Interim Financial Reporting*.

The condensed consolidated financial statements have been prepared on the basis of the accounting policies and methods of computation set out in the Group's consolidated financial statements for the year ended 31 March 2015.

The condensed consolidated financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 March 2015.The interim financial information is unaudited and does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.The Group's financial statements for the year ended 31 March 2015 have been reported on by the auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not draw attention to any matters by way of emphasis. They also did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

New standards and interpretations

In the current period, the Group has adopted IFRIC 21 'Levies'. IFRIC 21 'Levies' changes the point at which the Group recognises a liability in respect of Financial Services Compensation Scheme (FSCS) levies. From 1 April 2015 the Group has recognised a liability in respect of FSCS levies from the date at which the triggering event specified in the legislation occurs. The triggering event for recognition of FSCS levies occurs on the 1st April and requires that the cost of the levies is recognised in full, immediately. Accordingly the comparatives have been restated such that the full cost of the levies for the year to 31 March 2015, is recognised in the six months ended 30 September 2014. For the six months ended 30 September 2014, profits before tax have been reduced by £155,000, profits after tax reduced by £122,000, trade and other receivables reduced by £155,000 and current tax liabilities reduced by £33,000.

Going Concern
As both the net asset base and cash position remain healthy, the directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they also conclude in accordance with guidance from the Financial Reporting Council, that the use of the going concern basis for the preparation of the financial statements continues to be appropriate.

Interests in joint ventures
The Group's share of the assets, liabilities, income and expenses of jointly controlled entities are accounted for in the consolidated financial statements under the equity method.

Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of the joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to / from the Group and their amount can be measured accurately.

Goodwill
Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset at cost and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed in future periods.

Intangible assets
At each period end date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the assets belong.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Principal risks and uncertainties
Under the Financial Conduct Authority's Disclosure and Transparency Rules, the Directors are required to identify those material risks to which the company is exposed and take appropriate steps to mitigate those risks. The principal risks and uncertainties faced by the Group are discussed in detail in the Annual Report for the year ended 31 March 2015.

Related party transactions
No transactions took place in the period that would materially or significantly affect the financial position or performance of the group.

2. Segmental analysis

Revenue (£'000)	Investment Management	Wealth Management		Total
6m to 30 September 2015	12,036	1,229		13,265
6m to 30 September 2014	9,514	1,367		10,881
Year to 31 March 2015	20,590	2,404		22,994
Result (£'000)			**Unallocated Costs**	**Operating Profit/(Loss)**
6m to 30 September 2015	990	120	(608)	502
6m to 30 September 2014 **(restated –note 1)**	164	247	(438)	(27)
Year to 31 March 2015	931	338	(1,054)	215

3. Redemption of available for sale investments
Following the closure and liquidation of the TB Walker Crips Income from Short Term Lending Fund (STLF), the Group's holding of 1.383m units was redeemed and repaid in full (resulting in no gain or loss) with £1,383,000 being received on 7th September 2015.

4. Earnings per share
The calculation of basic earnings per share for continuing operations is based on the post-tax profit for the period of £459,000 (2014: £83,000 **(restated –note 1)**) and on 37,531,391 (2014: 36,996,187) ordinary shares of 6 2/3p, being the weighted average number of ordinary shares in issue during the period.

The effect of the exercise of outstanding options would be to reduce the reported earnings per share. The calculation of diluted earnings per share is based on 37,643,593 (2014: 37,607,437) ordinary shares, being the weighted average number of ordinary shares in issue during the period adjusted for dilutive potential ordinary shares.

5. Dividends
The interim dividend of 0.58 pence per share (2014: 0.53 pence) is payable on 11 December 2015 to shareholders on the register at the close of business on 27 November 2015. The interim dividend has not been included as a liability in this interim report.

6. Total Income (£'000)

	Six months Ended 30 September 2015	Six months Ended 30 September 2014	Year Ended 31 March 2015
Revenue	13,265	10,881	22,994
Investment revenues	88	143	224
	13,353	11,024	23,218

The Group's income can also be categorised as follows for the purpose of measuring a Key Performance Indicator, non-broking income to total income.

Income (£'000)	Six months Ended 30 September 2015	%	Six months Ended 30 September 2014	%	Year Ended 31 March 2015	%
Broking	5,345	40	4,719	43	10,152	44
Non-Broking	8,008	60	6,305	57	13,066	56
	13,353	100	11,024	100	23,218	100

Directors' Responsibility Statement

The Directors confirm that to the best of their knowledge:

(a) The condensed set of financial statements contained within the half yearly financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU;

(b) The half yearly report from the Chairman (constituting the interim management report) includes a fair review of the information required by DTR 4.2.7R; and

(c) The half yearly report from the Chairman includes a fair review of the information required by DTR 4.2.8R as far as applicable.

On Behalf of the Board

Rodney FitzGerald
Chief Executive Officer
19 November 2015