

21 January 2016

NCC Group plc

Continued strong revenue growth drives profits up 26% - dividend up 15%

NCC Group plc (LSE: NCC, "NCC Group" or "the Group"), NCC Group, a global expert in cyber security and risk mitigation, has reported its half year results for the six months to 30 November 2015.

Highlights

- Revenue increased 50% to £93.5m (£62.3m in 2014)
 - Organic growth of 17% (11% in 2014)
- Adjusted operating profit* up 26% to £15.7m (£12.4m in 2014)
- Reported operating profit £8.6m (£11.1m in 2014)
- Adjusted pre-tax profit** increased 24% to £14.9m (£12.1m in 2014)
- Adjusted fully diluted earnings** per share increased 11% to 5.00p (4.50p in 2014)
- Interim dividend up 15% to 1.50p (1.30p in 2014)
- Underlying cash conversion ratio 116% of operating profit (105% in 2014)
- Integration of Accumuli plc, acquired on 30 April 2015, completed
- Acquisition of Fox-IT for £92.6m on 27 November 2015

Outlook

- Orders and renewals up 32% totalling £75.7m (£57.2m in November 2014) for the current financial year

* Adjusted for amortisation of acquired intangibles, exceptional items and share based payment charges.

** Adjusted for the items above and the unwinding of the discount on contingent consideration.

Rob Cotton, Group Chief Executive, commented:

"We have delivered another strong set of results with Group organic revenue growth increasing by 17%. We are in an excellent position to continue to grow the Group organically as well as benefiting from the recent acquisitions of Accumuli and Fox-IT going forwards.

"With over 600 cyber security consultants around the world and our increasing range of capabilities, we are well positioned to meet our aspirations to become the leading player in the expanding global cyber security market.

"The numerous publicly reported cyber-attacks over the last few months, clearly demonstrate that the rate and complexity of cyber-crime has grown at a faster rate than anyone expected. For example, our managed security scanning and monitoring service identifies over 10,000 incidents a day - twice as high as this time last year.

“Six years ago, we stated that cyber-crime is an arms race and it remains so to this day. In a digital age, cyber-crime is the single biggest threat to corporates and individuals around the world.

“Cyber security and the associated risk mitigation is a Board’s responsibility. Directors must be fully accountable and a lack of understanding or knowledge is not an acceptable excuse.

“Boards that are not addressing cyber security with the same vigour and transparency as they do audit, remuneration, health & safety and CSR, are putting the operational and financial viability of their business at considerable risk, as well as its reputation.”

Enquiries:

NCC Group (www.nccgroup.trust) 0161 209 5432
Rob Cotton, Chief Executive
Atul Patel, Group Finance Director

Instinctif Partners 020 7457 2020
Adrian Duffield / Lauren Foster

Overview

The Group had a notably strong six months to 30 November 2015. Continued strong organic and acquisitive growth, allied to a successful fund raising and acquisition, has seen NCC Group enter the FTSE 250. The Group now operates globally from 32 offices, with over 1,800 employees.

Group revenue increased by 50% to £93.5m (£62.3m in 2014), with very strong growth coming from both the Assurance and Escrow divisions. Organic growth across the Group was 17% after taking account of the effects of the acquisitions of Accumuli and Open Registry in the previous financial year.

International revenue, which is mostly derived from the US, grew strongly by 17% to £34m. Following the acquisition of the UK-based Accumuli, international revenue now represents 36% (47% in 2014) of total Group revenue.

Group adjusted operating profit increased by 26% to £15.7m (£12.4m in 2014). Escrow operating profit grew by 4% to £9.2m (£8.9m in 2014) and Assurance by 33% to £10.3m (£7.7m in 2014). With revenue increased and good operational cost control, Domain Services losses were reduced to £1.0m (£1.9m loss in 2014).

Group adjusted diluted earnings per share improved 11% to 5.00p (4.50p in 2014).

The Group continues to be highly cash generative with the ratio of operating cash flow before interest and tax being 116% of operating profits (105% in 2014) after adjusting for exceptional Accumuli working capital movements associated with acquisition related payments.

On 27 November 2015, the Group completed the acquisition of Fox-IT, the 250 employee, Netherlands-based, threat intelligence and security business, for £92.6m. This was financed by a £126.3m fund raising, alongside a new multi bank five year revolving credit facility, term loan and overdraft.

Net debt at the end of the period, post the acquisition of Fox-IT but before the placing and open offer, was £73.1m (£31.3m in 2014) against the new facilities of £110m.

The Board has continued its progressive dividend policy, increasing the interim dividend by 15% to 1.50p (1.30p in 2014).

Current trading & outlook

The Group remains focused on delivering client peace of mind and risk mitigation. It provides a complementary range of services with the breadth and depth to provide multinational clients with a total solution to their information security issues and needs.

The Group's approach across its three Divisions remains unchanged; to develop the business by a combination of acquisitions of earnings enhancing, high quality businesses, with strong organic growth all focused away from areas of discretionary expenditure.

The Escrow business expects annual renewals to be £19.3m (£18.3m at November 2014) in this financial year, based on termination rates at 11%. The Escrow verification testing worldwide order book stands at £2.3m (£2.3m at November 2014).

Assurance order books have improved to £41.0m (£29.8m at November 2014) and have £7.0m of monitoring renewals forecast for the current financial year (£6.8m at November 2014) and £6.1m of Accumuli renewals.

In total, the Group's orders and renewals for the current financial year have increased by 32% to £75.7m (£57.2m at November 2014), excluding the newly acquired Fox-IT business.

The Group's revenue has always been biased towards the second half of the financial year. This is expected to continue this year.

The expansion of NCC Group's offerings through the acquisition of Fox-IT within Assurance, substantially increases the Group's ability to provide an international end-to-end service to customers. Over the next 12 months, the Group will begin to integrate the business within Assurance to exploit the operational synergies and global market opportunities.

The Group is operating in rapidly growing markets around the world and expects this trading environment to continue to develop strongly. It further expects that the enhanced Domain Services division will continue to see revenue growth, despite the slow ICANN processes and the lack of market awareness of the changes in the domain world.

The Board remains very confident of a strong second half performance in the current financial year and expects to meet market expectations for the full year.

Financial review

Revenue

Group revenue was £93.5m (£62.3m in 2014) and following the acquisition of the UK-based Accumuli, international revenues now make up 36% (47% in 2014) of total revenue. Escrow accounted for 18% of NCC Group's total revenue (25% in 2014) with Assurance representing 79% (75% in 2014).

The movements in the global currency markets had a small positive impact on the Group, which if a constant currency basis had been used, would have seen a 48% increase in Group revenue (reported: 50%).

The table below summarises revenue by division, including their key business areas.

	2015 Six months ended 30 November £'000	2014 Six months ended 30 November £'000	%
			Change
Revenue by business			
Segment			
Escrow UK	12,077	11,314	7
Escrow Europe	1,597	1,553	3
Escrow USA	2,772	2,520	10
Total Escrow	16,446	15,387	7
Security Consulting	59,625	36,155	65
Web Performance & Software Testing	14,128	10,783	31
Total Assurance	73,753	46,938	57
Domain Services	3,309	-	-
Total Revenue	93,508	62,325	50

The table below provides a geographical analysis of the Group's revenue based on where the customer is located. It highlights the significant increase in the scale of the US operations that make up the majority of the rest of the world revenue.

	2015 Six months ended 30 November £'000	2014 Six months ended 30 November £'000	%
			Change
Revenue by geographical destination			
UK	59,467	33,309	79
Rest of Europe	8,764	6,328	38
Rest of the World	25,277	22,688	11
Total Revenue	93,508	62,325	50

Profitability

Group adjusted operating profit, before amortisation of acquired intangible assets, exceptional items and share based payments, increased by 26% to £15.7m (£12.4m in 2014).

Group adjusted operating profit has been calculated after £1.0m (£1.9m in 2014) was expensed in respect of the continued investment in Domain Services. Excluding these costs, Group adjusted operating profit increased by 17% to £16.7m (£14.3m in 2014).

The Group adjusted operating profit margin was 17% (20% in 2014). This is lower as a result of the impact of the expensed Domain Services, the investments made by Escrow and also the acquisition of Accumuli, which has lower margins than the rest of Assurance due to its product sales.

Assurance and Escrow operating margins were 14% (17% in 2014) and 56% (58% in 2014) respectively. Overall, the Group expects these margins to strengthen in the medium term.

	2015 Six months ended 30 November £'000	2014 Six months ended 30 November £'000
Operating profit by business segment		
Group Escrow	9,198	8,889
Assurance Testing	10,320	7,747
Domain Services	(1,029)	(1,887)
Segment operating profit	18,489	14,749
Head office costs	(2,775)	(2,300)
Operating profit before amortisation of acquired intangibles, charges for share based payments and exceptional items	15,714	12,449
Amortisation of intangible assets Group Escrow	(353)	(420)
Amortisation of intangible assets Assurance	(1,682)	(464)
Amortisation of intangible assets Domain Services	(216)	-
Share based payments	(696)	(338)
Operating profit before exceptional items	12,767	11,227
Exceptional items	(4,174)	(158)
Operating profit	8,593	11,069

Exceptional items

The exceptional items are as follows:

	2015 Six months ended 30 November £'000	2014 Six months ended 30 November £'000	2015 Year ended 31 May £000
Exceptional items			
Acquisition related costs	(2,583)	-	(2,387)
Revision to estimates of contingent consideration	2,992	-	-
Intangible asset write down	(4,086)	-	-
Restructuring costs	(497)	-	-
IT claim net (costs) / income	-	(158)	1,799
Total	(4,174)	(158)	(588)

Acquisition related costs in the year of £2.6m (nil in 2014) consist of fees incurred in relation to the acquisition of Fox-IT on 27 November 2015.

The fair value of contingent consideration in respect of business acquisitions has been reassessed, resulting in a net gain of £3.0m (nil in 2014). The release primarily relates to Open Registry following the continued delays in both the roll-out of branded domains and the launch of ICANN's second round of new top level domain names.

With the acquisitions of Accumuli and Fox-IT, the Group has consolidated and rationalised its scanning services and has consolidated both the operation and development onto one product set and

platform. As a result, the redundant technology in both companies has been written off, resulting in a non-cash charge of £4.1m.

Following the acquisition of Accumuli, the Group incurred £0.5m of restructuring costs (nil in 2014).

The Group's reported pre-tax profit was £7.5m (£10.6m in 2014) after including the unwinding of the discount on contingent consideration, amortisation of acquired intangible assets, share based payments and exceptional items.

Taxation

The tax rate for the six months ended 30 November 2015 is 20% (21% in 2014), based upon the expected tax rate for the full year. The expected rate reflects the continued reduction in the UK corporate tax rates and the US tax treatment of Domain Services development costs.

Earnings per share

The adjusted basic earnings per share increased by 11% to 5.1p (4.6p in 2014) and reported basic earnings per share from operations were 2.6p (4.0p in 2014).

The table below analyses the effect on the Group's basic earnings per share of the amortisation of acquired intangibles, unwinding of the discount on contingent consideration for acquisitions, the effect of the exceptional items and share based payments.

	2015 Six months ended 30 November	2014 Six months ended 30 November
Basic EPS		
Group earnings per share – unadjusted	2.6p	4.0p
Amortisation of acquired intangibles	0.8p	0.4p
Exceptional items	1.4p	0.1p
Unwinding of the discount on the contingent consideration of the acquisitions	0.1p	0.0p
Share based payments	0.2p	0.1p
Adjusted basic EPS	5.1p	4.6p

Dividends

In line with a continuing progressive dividend policy, the Board is paying an interim dividend of 1.50p (1.30p in 2014), an increase of 15%. This will be paid on 26 February 2016 to shareholders on the register at the close of business on 29 January 2016, with an ex-dividend date of 28 January 2016.

This represents cover of 1.7 times (3.1 times in 2014) based on basic earnings, due to the exceptional items and cover of 3.4 times on an adjusted basic earnings basis (3.5 times in 2014).

Cash & funding

Underlying operating cash flow before interest and tax, as a ratio to operating profits of £8.6m, remained strong at 116% (105% in 2014). The Group remains committed to strong balance sheet management and borrowing only for affordable value enhancing acquisitions and the expansion of suitably considered service lines.

On 20 November 2015, the Group increased its banking facilities to £110m with a £5m overdraft. The new five year multi-currency syndicated bank facility comprises a £80m revolving credit facility and a £30m five year term loan.

On 25 November 2015, the Group completed a firm placing for £63.1m and on 18 December 2015 a placing and open offer for a further £63.2m.

On 27 November 2015, the Group completed the acquisition of Fox-IT for £92.6m (€133.25m) of which £76.6m (€108.3m) was paid on completion.

The Group had net debt of £73.1m (£31.3m in 2014) at the period end, post the acquisition of Fox-IT but before the £63.2m placing and open offer.

A final deferred consideration payment of £1.7m for FortConsult will be paid in June 2016.

Capital expenditure decreased to £5.5m (£9.7m in 2014) of which £1.9m (£4.1m in 2014) relates to Domain Services. The Group also continued its investment in Group offices, operational IT systems, infrastructure and product upgrades £3.6m (£5.6m in 2014).

Operational review

Group Escrow

Escrow continues to be the cornerstone of the Group's profitability and cash generation. All of the businesses offer substantial margins, a high degree of recurring revenue due to the contract renewal rates, as well as notably strong cash conversion characteristics.

Group Escrow revenue increased by 7% (4% in 2014) to £16.4m (£15.4m in 2014) and recurring revenues through the renewals process will grow to £19.3m this financial year, up from £18.5m.

Group Escrow operating profitability grew by 4% (6% in 2014) to £9.2m (£8.9m in 2014).

In November 2015, Escrow prices were increased globally, slightly ahead of inflation. This will impact on renewals from January 2016.

Escrow UK. The first half of the financial year saw a very good performance in the traditionally quieter period. UK revenue grew 7% (5% in 2014) to £12.1m (£11.3m in 2014).

The underlying termination rate remained at about 11% (11% in 2014), with no discernible change in the reasons for termination.

Escrow USA & Escrow Europe. Escrow USA revenue increased by 10% (7% in 2014) to £2.8m with strong performances achieved in both Atlanta and San Francisco.

Escrow Europe revenues grew by 3% to £1.6m (£1.6m in 2014), which reflects the strength and stability of the new team.

Assurance Division

The Assurance Division revenue grew by 57% to £73.8m (£46.9m in 2014) reflecting strong organic growth in all areas including a contribution of £18.7m from Accumuli. Organic revenue grew by 17% to £55.1m (£46.9m in 2014) and US revenue grew 21% to £15.6m (£12.9m in 2014).

During the first half, operating profits increased 33% to £10.3m (£7.7m in 2014). The benefits from the operational efficiencies gained by the Accumuli integration have started to filter through. However, some of Accumuli's businesses have lower margins. Overall Assurance's margin was

14% (17% in 2014), although the Group is confident that the Division will reach the Group's 20% target in the medium term.

Within the Assurance division, staff retention and recruitment is the most significant issue and treating it as such ensures that the Group's exemplary reputation remains intact. Indeed the importance the Group places on recruitment and retention is one of the reasons why employees choose to join NCC Group. The Division now employs over 1,000 people globally and has one of the largest multinational accredited teams of security consultants in the industry.

Carefully balancing paid-for utilisation, quality of deliverable work and research ensures that employee churn in the delivery teams is less than the 10% staff separation target. This is significantly less than the 30% market norm in high skilled IT environments.

The Group's world-class reputation for security research continues with ground breaking work being published in the automotive and maritime sectors. In the last 12 months, Group employees produced 38 whitepapers and 95 new blog posts on major areas of security and spoke at numerous industry events and forums. The Group actively promotes a responsible disclosure policy for both paid for and self-funded vulnerability research.

Accumuli has performed strongly since its acquisition. The integration is now complete, ahead of plan, reflecting the strength and adaptability of the company. Significant investment has been made in the business, with a notable investment in new talent and a new consolidated office opened in Leeds. The facility features a state of the art Security Operations Centre (SOC), which not only meets customer demand but also provides a facility from which the Group will ultimately provide Fox-IT services in the UK.

The web monitoring, performance and load testing business continued to perform strongly. It achieved a recurring revenue rate above 90% (91% in 2014) as businesses continue to recognise the importance of their website to their business prospects.

Domain Services

The Group has made considerable progress in the last six months despite being compromised by the speed of take-up of new domains as well as slow decision making by ICANN and brand owners.

The Group provides a complete end-to-end secure domain service covering every aspect of a company's domain strategy from a trusted secure domain environment, a backend operator (registry), a managed service scanning provider, a corporate registrar, domain consultancy, third party data escrow and anti-abuse monitoring as required by ICANN.

The take up of new domains has been considerably slower than anticipated. As a result, both consumers and corporates are still largely unaware of the impact of the increase in new domains and the threats they pose. This has had a direct impact on organisations joining the *.trust* secure community.

The delays with branded domains have also been a source of frustration as they represent a primary way of communicating the changes in the domain world as well as being significant targets for the Division. The vast majority of brand domains are yet to be delegated.

Separating monitoring sales away from *.trust* and enabling the domains to be purchased as a placeholder has been beneficial. It allows companies to gain peace of mind over securing their domain and work towards their security policies whilst benefiting from the Group's state of the art managed security scanning and monitoring capabilities.

The managed security scanning and monitoring service provided by Domain Services, currently run over 6,000 application, infrastructure and monitoring scans per month. This equates to monitoring over 100,000 live IP addresses monthly or over six million live and non-live IP addresses annually. Currently this service is identifying over 320,000 incidents a month, which is twice as high as this time last year.

With the acquisition of Accumuli and latterly Fox-IT, the Group has consolidated and rationalised its scanning services and has consolidated both the operation and development on to one product set and platform.

At 30 November, the Group has capitalised £6.7m of development costs which covers the .trust domain, product and infrastructure construction, know-how and filing of patents.

With revenue increased to £3.3m and tight operational cost control, losses almost halved to £1.0m (£1.9m in 2014).

“We have a right to security”

The growth of the information security marketplace is a direct consequence of the ever-increasing levels of cyber-crime. As data breaches proliferate, reports of corporate breaches hit the headlines on an almost daily basis. Defending against the damage and disruption is expensive, time consuming and can paralyse organisations, whilst permanently damaging brand value and investor and consumer confidence.

Despite this, in the UK, the public is still largely in the dark about what data of theirs has been compromised or how poor companies are at safeguarding their data.

According to our recent Trust in the Internet Survey, almost two-thirds of consumers believe an online data breach will compromise their financial information within the next year.

Indeed some 60% of consumers are more worried than ever before about protecting their personal and financial information online.

Individuals should have the right to expect their data to be protected to the highest standards and if it is not, they should be made aware of what has happened to it. Neither of which is the case today.

Cyber security and the associated risk mitigation is a Board's responsibility. Directors must be fully accountable and a lack of understanding or knowledge is not an acceptable excuse. While the measure and assessment of cyber risk can be contracted out to third parties, the determination of what is an acceptable level of risk and what appropriate mitigations can be used to reduce or minimise that risk, cannot be outsourced.

Currently companies do not have any responsibility to report on cyber breaches or the costs spent mitigating or remediating after a breach has occurred. Boards fully discuss and become expert on accounting policies, health and safety, CSR and executive remuneration and report on them in detail in their Annual Report and Accounts. This is not the case with a company's most valuable assets - its data and information.

Cultural change is needed. The majority of Boards do not have executives with the necessary IT skills, let alone an understanding of cyber security. Most board directors who have extensive operational and financial expertise in their industries and the corporate world have minimal, if any, formal education in IT. As directors undergo training for anti-bribery or health and safety, they should also undertake training for cyber security, as without it they will not be able to judge or score the threat on the corporate risk register.

It is no longer acceptable for cyber security to be passed down to an IT director or risk manager. It is the responsibility of the main board as it is the most significant issue facing businesses today.

It is reasonable that individuals have the right to know if their data has been hacked and the UK needs to lead in how cyber security risk is reported and handled before European legislation is adopted in the next few years.

The European Council is aiming for the General Data Protection Regulation (GDPR) to be adopted in early 2016 and new rules being made applicable to business two years after that. The legislation will mean that individuals will gain the right to know when their data has been hacked and companies and organisations will be required to notify the national supervisory authority of serious data breaches as soon as possible.

On average it takes almost 120 days for an organisation to find out that it has been compromised. The suggested timeframe for notification is within 72 hours from the breach being uncovered, which is cold comfort to those compromised individuals.

Any breach of the new data protection rules will be punished with fines of up to four per cent of global turnover with the prospect of significant financial fines for non-compliance as an additional incentive to focus the minds at Board level. The legislation will therefore have a high financial inducement for Boards to adopt a more proactive strategy towards cyber security risk.

Closely following will be the Network and Information Security Directive (NISD) agreement, which is hailed as a significant breakthrough for the European Community's ambition to develop a common cyber security framework and improve cooperation across borders on the issue.

The backdrop of falling consumer confidence and weakening defences is an ideal market for both the Assurance Division and Domain Services Division to thrive in.

Group IT Systems

The Group's replacement IT system is now largely operational although it will take a further 12 months to roll out the project to all of the Group's international offices.

Principal risks & uncertainties

The Group faces operational risks and uncertainties, which the Directors take all reasonable steps possible to mitigate, however, the Directors recognise that they can never be eliminated completely.

The principal operational risks and uncertainties the Group faces include those in relation to; the recruitment of additional staff to meet the Group's ambitious growth plans; the occurrence of unforeseen difficulties in the integration of current or future acquisitions; the protection of critical assets and information against the threat of cyber-crime; the impact of a successful cyber-attack on company reputation, share price and customer confidence; the dependence on key executives and senior managers; and the speed of adoption of new gTLD's by customers and consumers globally.

There are no persons with whom the Company has contractual or other arrangements that are deemed to be essential to the Group.

INDEPENDENT REVIEW REPORT TO NCC GROUP PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-year financial report for the six months ended 30 November 2015 which comprises group condensed income statement, the group condensed statement of comprehensive income, the group condensed statement of financial position, the group condensed statement of changes in equity, the group condensed statement of cash flows and the related explanatory notes. We have read the other information contained in the half-year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-year financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-year financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-year financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-year financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-year financial report for the six months ended 30 November 2015 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Stuart Burdass
for and on behalf of KPMG LLP
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
21 January 2016

Group condensed income statement

	Notes	2015 six months ended 30 November £'000	2014 six months ended 30 November £'000	2015 year ended 31 May £'000
Revenue	2	93,508	62,325	133,696
Cost of sales		(68,716)	(42,779)	(92,828)
Gross profit		24,792	19,546	40,868
Administrative expenses before amortisation of acquired intangible assets, share based payments and exceptional items		(9,078)	(7,097)	(14,473)
Operating profit before amortisation, share based payments and exceptional items		15,714	12,449	26,395
Amortisation of acquired intangible assets		(2,251)	(884)	(2,207)
Share based payments		(696)	(338)	(991)
Exceptional items	3	(4,174)	(158)	(588)
Total administrative expenses		(16,199)	(8,477)	(18,259)
Operating profit	2	8,593	11,069	22,609
Financial income		3	-	10
Finance expense excluding unwinding of discount		(828)	(395)	(936)
Net finance expense excluding unwinding of discount		(825)	(395)	(926)
Unwinding of discount effect relating to deferred consideration on business combinations		(230)	(65)	(262)
Financial expenses		(1,058)	(460)	(1,198)
Net financing costs		(1,055)	(460)	(1,188)
Profit before taxation		7,538	10,609	21,421
Taxation	4	(1,528)	(2,243)	(4,633)
Profit for the period		6,010	8,366	16,788
Attributable to equity holders of the parent company		6,010	8,366	16,788
Earnings per share from continuing operations	5			
Basic earnings per share		2.6p	4.0p	8.0p
Diluted earnings per share		2.6p	4.0p	7.8p

Group condensed statement of comprehensive income

	2015 six months ended 30 November	2014 six months ended 30 November	2015 year ended 31 May
	£'000	£'000	£'000
Profit for the period	6,010	8,366	16,788
Other comprehensive income			
Foreign exchange translation differences	260	1,171	(388)
Total comprehensive income for the period	6,270	9,537	16,400
Attributable to:			
Equity holders of the parent	6,270	9,537	16,400

Group condensed statement of financial position

	Notes	2015 30 November	2014 30 November	2015 31 May
		£'000	£'000	£'000
Non-current assets				
Intangible assets	7	292,458	118,478	204,936
Plant and equipment		11,167	8,045	9,376
Investments		271	-	553
Deferred tax assets		4,704	3,098	4,318
Total non-current assets		308,600	129,621	219,183
Current assets				
Trade and other receivables	9	57,833	30,513	44,429
Inventory	12	372	-	-
Cash and cash equivalents		22,221	6,987	16,353
Total current assets		80,426	37,500	60,782
Total assets		389,026	167,121	279,965
Equity				
Issued capital	15	2,528	2,088	2,293
Share premium	15	86,145	23,935	23,964
Merger reserve		42,308	-	42,308
Reserve for own shares		(230)	(51)	(464)
Retained earnings		65,371	58,652	65,064
Currency translation reserve		(1,179)	120	(1,439)
Total equity attributable to equity holders of the parent		194,943	84,744	131,726
Non-current liabilities				
Interest bearing loans	11	95,311	38,290	57,155
Other financial liabilities		631	438	392
Finance Leases		-	-	64
Deferred tax liability		9,259	3,387	10,119
Consideration on acquisitions		17,652	1,024	7,434
Total non-current liabilities		122,853	43,139	75,164
Current liabilities				
Trade and other payables	10	33,985	16,757	27,972
Consideration on acquisitions		3,496	745	-
Deferred revenue		32,351	17,690	31,861
Interest bearing loans		-	-	9,750
Current tax payable		1,398	4,046	3,492
Total current liabilities		71,230	39,238	73,075
Total liabilities		194,083	82,377	148,239
Total liabilities and equity		389,026	167,121	279,965

Group condensed statement of cash flows

	2015 six months ended 30 November	2014 six months ended 30 November	2015 year ended 31 May
	£'000	£'000	£'000
Cash inflow from operating activities			
Profit for the period	6,010	8,366	16,788
Adjustments for:			
Depreciation charge	1,569	1,182	2,623
Share based charges	696	294	885
Amortisation of intangible assets	2,743	1,125	2,723
Net financing costs	1,055	460	1,188
Profit on sale of plant and equipment	-	(33)	(43)
Intangible asset write down	4,086		
Adjustments to contingent consideration	(2,992)	-	-
Income tax expense	1,528	2,243	4,633
Cash inflow for the period before changes in working capital	14,695	13,637	28,797
Increase in trade and other receivables	(5,880)	(1,790)	(511)
Increase/(decrease) in trade and other payables	1,145	(164)	(4,000)
(Decrease)/increase in exceptional Accumuli payables	(2,079)	-	-
Cash generated from operating activities before interest and tax	7,881	11,683	24,286
Interest paid	(1,054)	(417)	(1,072)
Income tax paid	(3,425)	(715)	(3,417)
Net cash generated from operating activities	3,402	10,551	19,797
Cash flows from investing activities			
Interest received	3	-	10
Purchase of plant and equipment	(1,132)	(2,732)	(4,788)
Development expenditure	(4,329)	(6,993)	(8,175)
Acquisition of businesses	(77,959)	(2,260)	(19,831)
Cash acquired with subsidiaries	1,769	-	5,676
Net cash used in investing activities	(81,648)	(11,985)	(27,108)
Cash flows from financing activities			
Proceeds from the issue of ordinary share capital	62,416	304	429
Purchase of own shares	(97)	-	(414)
Draw down of borrowings	27,954	2,087	20,443
Equity dividends paid	(6,145)	(4,919)	(7,634)
Net cash from financing activities	84,128	(2,528)	12,824
Net increase/(decrease) in cash and cash equivalents	5,882	(3,962)	5,513
Cash and cash equivalents at beginning of period	16,353	11,212	11,212
Effect of exchange rate fluctuations	(14)	(263)	(372)
Cash and cash equivalents at end of period	22,221	6,987	16,353

Group condensed statement of changes in equity

	Share capital	Share premium	Merger reserve	Currency Translation reserve	Reserve for own shares	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 June 2014	2,085	23,634	-	(1,051)	(1,075)	56,003	79,596
Profit for the period	-	-	-	-	-	8,366	8,366
Foreign currency translation differences	-	-	-	1,171	-	-	1,171
Total comprehensive income for the period	-	-	-	1,171	-	8,366	9,537
Transactions with owners recorded directly in equity							
Dividends to equity shareholders	-	-	-	-	-	(4,919)	(4,919)
Share based payment transactions	-	-	-	-	-	294	294
Current and deferred tax	-	-	-	-	-	(68)	(68)
Shares issued	3	301	-	-	1,024	(1,024)	304
Total contributions by & distributions to owners	3	301	-	-	1,024	(5,717)	(4,389)
Balance at 30 November 2014	2,088	23,935	-	120	(51)	58,652	84,744
	Share capital	Share premium	Merger reserve	Currency Translation reserve	Reserve for own shares	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 June 2014	2,085	23,634	-	(1,051)	(1,075)	56,003	79,596
Profit for the period	-	-	-	-	-	16,788	16,788
Foreign currency translation differences	-	-	-	(388)	-	-	(388)
Total comprehensive income for the period	-	-	-	(388)	-	16,788	16,400
Dividends to equity shareholders	-	-	-	-	-	(7,634)	(7,634)
Share based payment transactions	-	-	-	-	-	885	885
Current and deferred tax	-	-	-	-	-	47	47
Shares issued	208	330	42,308	-	-	-	42,846
Purchase of own shares	-	-	-	-	611	(1,025)	(414)
Total contributions by & distributions to owners	208	330	42,308	-	611	(7,727)	35,730
Balance at 31 May 2015	2,293	23,964	42,308	(1,439)	(464)	65,064	131,726

	Share capital	Share premium	Merger reserve	Currency Translation reserve	Reserve for own shares	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 June 2015	2,293	23,964	42,308	(1,439)	(464)	65,064	131,726
Profit for the period	-	-	-	-	-	6,010	6,010
Foreign currency translation differences	-	-	-	260	-	-	260
Total comprehensive income for the period	-	-	-	260	-	6,010	6,270
Transactions with owners recorded directly in equity							
Dividends to equity shareholders	-	-	-	-	-	(6,145)	(6,145)
Share based payment transactions	-	-	-	-	-	696	696
Current and deferred tax	-	-	-	-	-	77	77
Shares issued	235	62,181	-	-	-	-	62,416
Purchase of own shares	-	-	-	-	234	(331)	(97)
Total contributions by & distributions to owners	235	62,181	-	-	234	(5,703)	56,947
Balance at 30 November 2015	2,528	86,145	42,308	(1,179)	(230)	65,371	194,943

Notes to the half year report

1 Accounting policies

Basis of preparation

The Group condensed half-year financial statements for the six months ended 30 November 2015 have been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

As required by the Disclosure and Transparency Rules of the Financial Services Authority the financial information contained in this report has been prepared using the accounting policies applied for the year ended 31 May 2015. They do not contain all the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended 31 May 2015.

The financial statements of the Group for the year ended 31 May 2015 are available from the Company's registered office, or from the website www.nccgroup.trust.

The comparative figures for the financial year ended 31 May 2015 are not the company's statutory accounts for that financial year. Those accounts, which were prepared under IFRS as adopted by the EU ("adopted IFRS"), have been reported on by the company's auditors and delivered to the registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

NCC Group plc ("the Company") is a company incorporated in the UK.

Significant accounting policies

The accounting policies applied by the Group in these consolidated half-year financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 May 2015.

There are no IFRS or IFRIC interpretations effective for the first time in this financial period which are relevant that have had a material impact on the Group.

Going concern

The Group's activities, together with the factors likely to affect its future development, performance and position are set out in the financial and operational reviews.

The directors have reviewed the trading and cashflow forecasts as part of their going concern assessment, together with the available facilities at 30 November 2015, (see note 11), including reasonable downside sensitivities which take into account the uncertainties in the current operating environment.

Taking into account the above uncertainties and circumstances, the directors formed a judgement that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

Accordingly they continue to adopt the going concern basis in preparing the group's condensed half-year financial statements for the period ended 30 November 2015.

Use of estimates and judgements

The preparation of the consolidated half-year financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of

accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated half-year financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimated uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 May 2015.

2 Segmental information

The Group is organised into three operating segments (30 November 2014: three): Group Escrow, Assurance and Domain Services each of which is separately reported.

Whilst revenue and profitability are monitored by individual business units within these operational segments it is only at the operating level that resource allocation decisions are made.

Performance is measured based on segment profit, which comprises segment operating profit excluding amortisation of acquired intangible assets, share based payment charges and exceptional items. Interest and tax are not allocated to business segments and there are no intra-segment sales.

The Group's revenue has always been biased towards the second half of the financial year. This is expected to continue this year.

	2015 Six months ended 30 November	2014 Six months ended 30 November	2015 Year ended 31 May
	£'000	£'000	£'000
Revenue by business segment			
Escrow UK	12,077	11,314	23,729
Escrow Europe	1,597	1,553	3,152
Escrow USA	2,772	2,520	5,151
Total Group Escrow	16,446	15,387	32,032
Security Consulting	59,625	36,155	74,381
Web Performance and Software Testing	14,128	10,783	22,582
Total Assurance	73,753	46,938	96,963
Domain Services	3,309	-	4,701
Total Revenue	93,508	62,325	133,696

2 Segmental information (continued)

	2015 Six months ended 30 November	2014 Six months ended 30 November	2015 Year ended 31 May
	£'000	£'000	£'000
Operating profit by business segment			
Group Escrow	9,198	8,889	18,891
Assurance	10,320	7,747	16,990
Domain Services	(1,029)	(1,887)	(4,913)
Segment operating profit	18,489	14,749	30,968
Head office costs	(2,775)	(2,300)	(4,573)
Operating profit before amortisation, share based payments and exceptional items	15,714	12,449	26,395
Amortisation of acquired intangible assets Group Escrow	(353)	(420)	(722)
Amortisation of acquired intangible assets Assurance	(1,682)	(464)	(1,257)
Amortisation of acquired intangible assets Domain Services	(216)	-	(228)
Share based payments	(696)	(338)	(991)
Operating profit before exceptional items	12,767	11,227	23,197
Exceptional items	(4,174)	(158)	(588)
Operating profit	8,593	11,069	22,609

The table below provides an analysis of the Group's revenue by geographical market where the customer is based.

	2015 Six months ended 30 November £'000	2014 Six months ended 30 November £'000	2015 Year ended 31 May £'000
Revenue by geographical destination			
UK	59,467	33,309	72,121
Rest of Europe	8,764	6,328	13,503
Rest of the World	25,277	22,688	48,072
Total Revenue	93,508	62,325	133,696

3 Exceptional items

The Group identifies separately items as "exceptional". These are items which in the management's judgement, need to be disclosed by virtue of their size or incidence in order for the user to obtain a proper understanding of the financial information.

3 Exceptional items (continued)

	2015	2014	2015
	Six months	Six months	Year
	ended	ended	ended
	30 November	30 November	31 May
	£'000	£'000	£'000
Exceptional items			
Acquisition related costs	(2,583)	-	(2,387)
Revision to estimates of contingent consideration	2,992	-	-
Intangible asset write down	(4,086)	-	-
Restructuring costs	(497)	-	-
IT claim net (costs) / income	-	(158)	1,799
Total	(4,174)	(158)	(588)

Acquisition related costs in the period of £2,583,000 (nil in 2014) consist of fees incurred in relation to the acquisition of Fox-IT on 27 November 2015 (note 12).

The fair value of contingent consideration in respect of business acquisitions has been reassessed, resulting in a net gain of £2,992,000 (nil in 2014). The release primarily relates to Open Registry following the continued delays in both the roll-out of branded domains and the launch of ICANN's second round of new top level domain names.

With the acquisitions of Accumuli and Fox-IT, the Group has consolidated and rationalised its scanning services and has consolidated both the operation and development onto one product set and platform. As a result the redundant technology in both companies has been written off creating a non-cash charge of £4,086,000.

Following the acquisition of Accumuli, the Group has incurred £497,000 of restructuring costs (nil in 2014).

In the prior year, the Group received a settlement of £2,000,000 in respect of a claim to recover costs incurred on an IT system termination in May 2012. Associated legal costs amounting to £201,000 were incurred in the same financial year, of which £158,000 had been incurred at 30 November 2014.

4 Taxation

The Group tax charge represents the estimated annual effective rate of 20% (30 November 2014: 21%) applied to the profit before tax for the period.

5 Earnings per share

The calculation of earnings per share is based on the following:

	2015 Six months ended 30 November £'000	2014 Six months ended 30 November £'000	2015 Year ended 31 May £'000
Profit for the period from continuing operations used for earnings per share	6,010	8,366	16,788
Amortisation of acquired intangible assets	2,251	884	2,207
Exceptional items	4,174	158	588
Unwinding of discount	230	65	262
Share based payments	696	338	991
Tax arising on the above items	(1,538)	(301)	(818)
Adjusted profit from continuing operations used for adjusted earnings per share	11,823	9,510	20,018
	Number of shares 000's	Number of shares 000's	Number of shares 000's
Basic weighted average number of shares in issue	233,355	208,811	210,421
Dilutive effect of share options	3,217	3,619	3,601
Diluted weighted average shares in issue	236,572	212,430	214,022

6 Dividends

	2015 Six months ended 30 November £'000	2014 Six months ended 30 November £'000	2015 Year ended 31 May £'000
Dividends paid and recognised in the period	6,145	4,919	7,634
Dividends proposed but not recognised in the period	4,135	2,715	6,147
Dividends per share paid and recognised in the Period	2.68p	2.36p	3.66p
Dividends per share proposed but not recognised in the period	1.50p	1.30p	2.68p

7 Intangible assets

	Software £'000	Development costs £'000	Customer contracts and relationships £'000	Goodwill £'000	Fox-IT Goodwill £'000	Total £'000
Net book value:						
At 1 June 2014	5,787	4,974	7,652	91,651	-	110,064
Additions	2,863	4,130	-	-	-	6,993
Effects of movements in exchange rates	-	448	335	1,793	-	2,576
Amortisation in the period	(271)	-	(884)	-	-	(1,155)
At 30 November 2014	8,379	9,552	7,103	93,444	-	118,478
Acquisitions through business combinations	340	-	24,581	62,680	-	87,601
Additions	2,212	(1,030)	-	-	-	1,182
Effects of movements in exchange rates	-	219	(78)	(604)	-	(463)
Amortisation in the period	(245)	-	(1,617)	-	-	(1,862)
At 31 May 2015	10,686	8,741	29,989	155,520	-	204,936
Acquisitions through business combinations	1,832	-	-	-	87,908	89,740
Additions	2,434	(2,191)	-	-	-	243
Effects of movements in exchange rates	-	194	(10)	98	-	282
Amortisation in the period	(492)	-	(2,251)	-	-	(2,743)
At 30 November 2015	14,460	6,744	27,728	155,618	87,908	292,458

The Group acquired Fox-IT Holdings BV on 27 November 2015 (Note 12). The goodwill on acquisition of £87.9m and the software intangible asset acquired of £1.8m are provisional values with amounts yet to be allocated to the separate intangibles acquired. The goodwill has been shown separately in the note.

8 Capital expenditure

Additions to plant and equipment during the period ended 30 November 2015 amounted to £1,132,000 (30 November 2014: £2,732,000) and depreciation charged in the period amounted to £1,569,000 (30 November 2014: £1,182,000).

9 Trade and other receivables

	2015 Six months ended 30 November	2014 Six months ended 30 November	2015 Year ended 31 May
	£'000	£'000	£'000
Trade receivables	34,474	20,763	26,002
Prepayments and accrued income	23,359	9,750	18,427
	57,833	30,513	44,429

10 Trade and other payables

	2015 Six months ended 30 November	2014 Six months ended 30 November	2015 Year ended 31 May
	£'000	£'000	£'000
Trade payables	6,322	3,652	9,039
Non trade payables	8,497	4,588	5,729
Finance leases	139	-	111
Accruals	19,027	8,517	13,093
	33,985	16,757	27,972

11 Interest bearing loans

	2015 Six months ended 30 November	2014 Six months ended 30 November	2015 Year ended 31 May
	£'000	£'000	£'000
Secured bank loan	95,311	38,290	66,905
Analysed as:			
Current	-	-	9,750
Non-current	95,311	38,290	57,155
	95,311	38,290	66,905

In November 2015, the group re-financed its external borrowings through a new facility agreement with a syndicate of banks. The Group has agreed a multi-currency revolving credit facility of £80m (30 November 2014: £40m), a £30m multi-currency term loan (30 November 2014: £nil) and an overdraft facility of £5m (30 November 2014: £5m). The effective interest payable on drawn down funds as at 30 November 2015 was 2.0% above LIBOR (2014: 1.6%).

12 Acquisitions

Fox-IT Holdings BV

NCC Group (Solutions) Limited acquired Fox-IT Holdings BV, a company based in the Netherlands, on 27 November 2015. Fox-IT has a leading market position in Europe for high-end Cyber Security solutions and is a leading European provider of Advanced Incident Response Services. Fox-IT's activities of Advanced Threat Protection, Threat Intelligence and Web/Mobile Event Analytics, High Assurance and Secure Infrastructure, provide further depth to NCC Group's cyber and assurance services and growth opportunities from new markets.

The consideration for the acquisition of Fox-IT was €108,250,000 initial cash, with deferred payments due on each of the first and second anniversaries of completion comprising: €10,000,000 cash and €2,500,000 newly issued NCC Group plc shares each.

The acquisition had the following effect on the Group's assets and liabilities:

	£'000	Fair values £'000
Acquiree's identifiable net assets at the acquisition date:		
Plant and equipment		1,898
Intangible assets – software		1,832
Trade and other receivables		7,605
Inventory		372
Deferred tax asset		1,084
Cash		1,769
Creditors & accruals		(7,434)
Deferred revenue		(2,429)
Net identifiable assets		4,697
Goodwill* on acquisition		87,908
Total consideration		92,605
Satisfied by: Initial cash consideration	76,583	
Deferred cash consideration	14,149	
Deferred issue of equity shares consideration	3,537	
Finance discount on deferred consideration	(1,664)	
	92,605	
Net cash outflow		76,583
Cash acquired		(1,769)
Net cash outflow excluding cash acquired		74,814

*The "goodwill" value presented in the table above is provisional since a review to allocate fair values to the intangible assets of the business has not yet been performed. An intangible asset allocation exercise and the associated deferred tax impact will be performed during H2 and the allocation will be accounted for and presented in the Group consolidated accounts at 31 May 2016.

Acquisition costs relating to professional fees totalling £1.9m were incurred and are recognised as exceptional costs in the income statement account (note 3).

Accumuli plc

On 30 April 2015, the Group acquired 100% of the share capital of Accumuli plc for consideration of £52.5m in a share for share exchange plus cash consideration agreement. NCC Group plc issued 20,389,472 new ordinary shares of 1 pence with a closing share price of 208.5p amounting to a share issue valuation of £42.5m. £10.0m cash consideration was paid on a pro-rata basis to the Accumuli shareholders under the Scheme of Arrangement.

Accumuli is a leading, rapidly growing, UK based independent specialist in IT security and risk management, providing industry leading solutions and services. The Group's business activities are in the Assurance business segment.

An adjustment of £1.1m is included in exceptional income statement items which relates to a re-assessment of the fair value of contingent consideration relating to a previously acquired subsidiary of Accumuli plc.

Open Registry Group

On 20 January 2015, the Group acquired the entire share capital of Open Registry S.A (Luxembourg), CHIP S.A. (Luxembourg), Nexperteam C.V.B.A (Belgium) and Sensirius C.V.B.A (Belgium) for total consideration of €19.5m. Of this amount, €10.3m was paid in cash. Contingent consideration of €9.2m is payable in cash depending on specific profit based performance targets on the second and third year anniversaries of the completion date.

Open Registry S.A. (Open Registry) is the leading European Registry Service Provider for global brands in terms of brand TLD applications under management. Clearinghouse for Intellectual Property S.A. (CHIP) is one of three key service providers that form the consortium that has been authorised by ICANN to operate the Trademark Clearinghouse (TMCH). Nexperteam CVBA (Nexperteam) is an accredited registrar for several TLDs managing over 8,000 domain names. Nexperteam provides domain registrar services ranging from domain name registration, name serving to email and web hosting.

The Directors of the Group have re-assessed the fair value of the contingent consideration at 30 November 2015 and reduced the liability by £4.1m due to the continued delays in both brand top level domain name roll out and launch of ICANN's second round of new top level domain names. The credit adjustment is included in exceptional items (note 3).

13 Related party transactions

The Group's key management personnel comprise the Directors of the Group.

NCC Group's Non-Executive Chairman Paul Mitchell is a director of Rickitt Mitchell & Partners Limited (Rickitt Mitchell) with whom the Group conducted business to the value of £787,500 (30 November 2014: £37,500). Rickitt Mitchell provides the services of the Non-Executive Chairman and an outsourced acquisition service, which facilitates the delivery of acquisition targets, which have been identified and approved by the Board.

14 Post balance sheet events

On 18 December 2015, the Group issued a further 22,986,307 of new ordinary shares as a result of the successful placing and Open Offer of shares. This resulted in NCC Group plc receiving gross cash proceeds of £63.2m.

15 Called up share capital

	Number of shares	2015 Six months ended 30 November	2014 Six months ended 30 November	2015 Year ended 31 May
		£'000	£'000	£'000
Allotted, called up and fully paid				
Ordinary shares of 1p each at the beginning of the period	229,316,313	2,293	2,085	2,085
Ordinary shares of 1p each issued in the period	23,496,743	235	3	208
Ordinary shares of 1p each at the end of the period	252,813,056	2,528	2,088	2,293

On 27 November 2015, NCC Group plc issued 22,949,986 new ordinary shares of 1 pence in connection with the acquisition of Fox-IT Holding B.V. for a price of £229,500 par value of shares and £62,181,000 addition to the share premium account. The remaining share capital issued is in respect of share based payment transactions.

As at 30 November 2015, 116,714 shares were held in treasury (30 November 2014: 28,186). The total consideration paid for the shares was £230,000 (30 November 2014: £51,000), which has been deducted from equity in the period. These shares are held with the sole purpose of the settling any future share based basement obligations.

Responsibility statement of the Directors in respect of the half year report

We confirm that to the best of our knowledge:

- The condensed set of consolidated financial statements has been prepared in accordance with IAS 34, “Interim Financial Reporting” as adopted by the EU;
- The half-year management 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 the 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.

Rob Cotton
Chief Executive
On behalf of the Board
21 January 2016