

Worthington Group plc (“the Company”)

Unaudited Interim results for the Six months Ended on the 31st March, followed by the audited Results for the Eighteen months Ended 30th September 2013.

Interim Financial Statements for six months ended 31st March 2014

Chief Executive’s Statement

I am pleased to be able to say that in the period covered by this Interim Report and Accounts the Company has made considerable steps forward. The key highlights are:

We are acquiring substantial assets in a diverse portfolio of industry sectors in the UK and world-wide.

New investments - we are in advanced discussions with partners in the energy, mining and media sectors and expect to make a number of announcements very soon which will add to revenues in the next six months.

Oil and gas – we are close to completing a major oil and gas investment and expect to be able to announce details before the end of September.

Mining - at the time of writing we have reached agreement in principle to acquire a significant interest in an exploration company with exciting prospects in the rare earth sector. We expect to be in a position to make an announcement in relation to this transaction with the next seven days.

Media – we have reached broad agreement in principle to acquire a portfolio of media businesses and negotiations are expected to be completed shortly.

Litigation funding – we have broadened our legal claims portfolio so that claims in our litigation division now include both UK claims and also international claims with a total claims value of more than £30m. We expect to be able to update shareholders in relation to our claims portfolio shortly.

As a result of these efforts, I am able to announce first half profits of £8.7m

Interim profits for half year ended 31st March 2014 of £8.7m against a loss in 2012/13 of £5.3m

That has lead us to be able to strengthen our Balance Sheet

Our net asset position is now £5.9m as at 31st March 2014 up from -£3.5m for the 18 month period ended 30th September 2013.

Pension fund resolution is also imminent

It has been our priority to both reach a fair settlement for the pension fund recipients whilst capping our liabilities. I am very pleased to say we have found a solution to the deficit that balances both needs. The solution proposed is expected to have a positive effect on the Group’s balance sheet but is not yet reflected in our accounts. More details will be announced shortly.

On 16th April 2013, the Company acquired 26% of the shares in Law Financial Ltd in exchange for £250,000 of Unsecured Convertible Loan stock 2020, with an option to acquire the remaining 74% of the shares by 31st October 2013. This option was exercised on 28th October 2013 and the remaining shares were acquired in exchange for £750,000 of Unsecured Convertible Loan Stock 2020. The Unsecured Loan Stock 2020 includes warrants to subscribe for 20m ordinary shares in the Company at an exercise price of 5p each, subject to a share capital re-organisation being approved by shareholders.

On 4th March 2014, in order to fund corporate finance activities, the Company issued £130,570 of Unsecured Convertible Loan Stock 2021 which was subsequently converted into 1,305,700 ordinary 10p shares in the Company on 21st March 2014 at a conversion price of 10p per Worthington share.

On 14th April 2014, the Company issued £302,400 and £24,000 of the unissued Secured Convertible Loan Stock 2019 to European and Asian Ltd (the holding company of Mandolyn Ltd of which Doug Ware is a director) and Richard Spurway, a director, respectively. The consideration for the issue was the cancellation of the remaining notice period on their respective contracts. This was in order to secure the remaining monies due to the respective parties in accordance with their contracts should their roles be terminated and/or their contracts not be honoured for any reason. They have agreed to surrender all the loan stock for nil consideration once an agreement is reached with the Pension Trustee, the Pension Regulator and the PPF. This would enable the restructuring of the Company with the scheme being transferred into the PPF.

In May 2014, contracts were exchanged for the sale of our Keighley freehold property for £475,000, completion of the sale is due before the end of September 2014.

In July 2014 the Company sold its shares in Trimmings for £1 and accepted the sum of £399,999 in settlement of the unsecured loan stock which was not due for repayment by Trimmings until 31 December 2200. Interest will be paid up to 30 June 2014 on the loan notes in addition to the receipt of a final management charge of £71,750 plus VAT. The directors believe that the realisation of cash from this historic investment is in the best interests of the Company. Accordingly a provision against the carrying value of the investment of £237,000 has been made together with a provision for the write down in the value of the loan notes of £400,001 following the sale agreement.

Finally, in presenting this interim report I am delighted to be able to inform shareholders that the Company is in good shape, going forward into the coming months with a clear strategy and a secure footing. I appreciate that for many of you this moment has been long awaited and I'd like to thank all our stakeholders for remaining loyal to us during this period when, at times, it must have appeared as though not much was happening. With rising economic confidence in the UK and many opportunities for us both here at home and internationally I believe we have an excellent future ahead of us.

Doug Ware

Chief Executive

20 August 2014

This interim report may contain forward-looking statements based on current expectations of, and assumptions and forecasts made by management. Various known and unknown risks, uncertainties and other factors could lead to substantial differences between the actual future results and, financial situation development or performance of the company and the estimates and historical results given herein. Undue reliance should not be placed on forward looking statements which speak only as at the date of this document. We undertake no obligation publicly to update or revise any forward-looking statements, except as may be required by law.

**Consolidated Income Statement
for the six months ended 31st March 2014**

	Note	Unaudited 6 months ended 31 March 2014 £'000	Unaudited 6 months ended 31 March 2013 £'000	Audited 18 months ended 30 September 2012 £'000
Continuing operations				
Revenue		1	1	264

Cost of sales		(60)	-	(41)
Gross (loss)/profit		<u>(59)</u>	<u>1</u>	<u>223</u>
Administrative expenses		(62)	(267)	(588)
Share based payment		(54)	(14)	(58)
Pension scheme related costs		(60)	-	(675)
Gain on bargain purchase	9	9,034	-	-
Operating profit/(loss)		<u>8,799</u>	<u>(280)</u>	<u>(1,098)</u>
Investment revenues		26	55	125
Investment property write down			-	(3,525)
Investment in associate write down			-	(638)
Pension finance costs		(79)	(130)	(237)
Interest payable		(60)		(9)
Share of results of associate		-	(5)	97
Profit/(loss) before taxation		<u>8,686</u>	<u>(360)</u>	<u>(5,285)</u>
Taxation				
Profit/(loss) on ordinary activities after taxation		<u>8,686</u>	<u>(360)</u>	<u>(5,285)</u>
Earnings/(loss) per ordinary share				
Basic	5	64.9p	(2.8p)	(42.0p)
Fully diluted		N/A	N/A	N/A

Consolidated Statement of Comprehensive Income

	Unaudited 6 months ended 31 March 2014 £'000	Unaudited 6 months ended 31 March 2013 £'000	Audited 18 months ended 30 September 2013 £'000
Profit/(loss) for the period	8,686	(360)	(5285)
Actuarial loss on retirement benefit obligation	-	-	(73)
Total comprehensive profit/(loss) for the period	<u>8,686</u>	<u>(360)</u>	<u>(5358)</u>
Attributable to:			
Owners of the parent	<u>8,686</u>	<u>(360)</u>	<u>(5358)</u>

Consolidated Statement Of Financial Position

at 31st March 2014

	Unaudited 31 March 2014 £'000	Unaudited 31 March 2013 £'000	Audited 30 September 2013 £'000
Non-current assets			
Investments	10,000	-	-
Interests in associates	-	182	250
Other financial assets	-	800	-
	<u>10,000</u>	<u>982</u>	<u>250</u>
Current assets			
Inventories	475	4,000	475
Other financial assets	400	-	400
Trade and other receivables	675	377	1,194
Cash and bank balances	13	14	58
	<u>1,563</u>	<u>4,391</u>	<u>2,127</u>
Total assets	<u>11,563</u>	<u>5,373</u>	<u>2,377</u>
Current liabilities			
Trade and other payables	(1,413)	(515)	(1,136)
Non-current liabilities			
Retirement benefit obligation	(4,109)	(4,001)	(4,071)
Secured and Unsecured Convertible loan stock	(574)	(61)	(574)
	<u>(6,096)</u>	<u>(4,577)</u>	<u>(5,781)</u>
Total liabilities	<u>(6,096)</u>	<u>(4,577)</u>	<u>(5,781)</u>
Net Assets	<u>5,467</u>	<u>796</u>	<u>(3,404)</u>
Equity			
Called up share capital	1,450	1,319	1,319
Share premium account	9,839	9,839	9,839
Other reserve	11,182	10,695	11,182
Share based payment reserve	278	180	224
Retained earnings	(17,282)	(21,237)	(25,968)
Total equity	<u>5,467</u>	<u>796</u>	<u>(3,404)</u>

**Consolidated Statement Of Changes in Equity
for the periods to 31st March 2014**

	Share capital £'000	Share premium £'000	Other Reserve £'000	Share based Compensation £'000	Retained earnings £'000	Total equity £'000
As at 1 October 2012	1,306	9,839	10,626	166	(20,877)	1,060

Share based compensation	-	-	-	14	-	14
Issue of ordinary shares	13	-	-	-	-	13
Equity component of loan notes issued			69	-	-	69
Total comprehensive loss for the period	-	-	-	-	(360)	(360)
As at 31 March 2013	<u>1,319</u>	<u>9,839</u>	<u>10,695</u>	<u>180</u>	<u>(21,237)</u>	<u>796</u>
Share based compensation	-	-	-	44	-	44
Equity component of loan notes issued	-	-	487	-	-	487
Total comprehensive loss for the period	-	-	-	-	(4,731)	(4,731)
As at 30 September 2013	<u>1,319</u>	<u>9,839</u>	<u>11,182</u>	<u>224</u>	<u>(25,968)</u>	<u>(3,404)</u>
Issue of ordinary shares	131	-	-	-	-	131
Share based compensation	-	-	-	54	-	54
Total comprehensive income for the period	-	-	-	-	8,686	8,686
As at 31 March 2014	<u>1,450</u>	<u>9,839</u>	<u>11,182</u>	<u>278</u>	<u>(17,282)</u>	<u>5,467</u>

**Consolidated Cash Flow Statement
for the six months ended 31st March 2014**

	Unaudited 6 months ended 31 March 2014 £'000	Unaudited 6 months ended 31 March 2013 £'000	Audited 18 months ended 30 September 2013 £'000
Cash flow from operating activities			
Operating profit/(loss) for the period	8,799	(280)	(1,098)
Movement in trade and other receivables	-	(85)	(170)
Movement in trade and other payables	122	239	875
Gain on bargain purchase	(9,034)	-	-
Share based payment	54	14	58
Payments to retirement benefit scheme	(41)	(57)	(172)
	<u>(100)</u>	<u>(169)</u>	<u>(507)</u>

Interest paid on loans	(29)	-	(9)
Net cash outflow from operating activities	(129)	(169)	(516)
Cash flows from investing activities			
Interest received	26	46	84
Loans advanced	-	(42)	(341)
Loans repaid	-	78	147
Net cash generated by/(used in) investing activities	26	82	(110)
Cash flows from financing activities			
Proceeds from inception of new loans	58	-	149
Proceeds from new shares issued	-	13	128
Repayment of convertible loan stock	-	(13)	-
Proceeds from issue of convertible loan stock	-	-	143
Net cash generated by financing activities	58	-	420
Decrease in cash and cash equivalents	(45)	(87)	(206)
Cash and cash equivalents at the beginning of the period	58	101	264
Cash and cash equivalents at end of period	13	14	58

Cash and cash equivalents comprise cash held at bank.

Notes to the Interim Financial Statements for the six months ending 31st March 2014

1. General Information

Worthington Group plc is a company incorporated in the United Kingdom. The Company has its primary listing on the London Stock Exchange.

These condensed interim financial statements were approved for issue on 20th August 2014. These interim financial statements do not constitute statutory accounts as defined by section 434 of the Companies Act 2006. Full accounts of the company for the 18 months ended 30th September 2013 on which the Auditors gave an unqualified report, will be delivered to the Registrar of Companies following approval at the Annual General Meeting to be held on 14th October 2014.

2. Basis of preparation

These condensed interim financial statements for the 6 months ended 31st March 2013 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 'Interim Financial Reporting' as adopted by the European Union. The interim financial statements should be read in conjunction with the annual financial statements for the 18 months ended 30th September 2013, which have been prepared in accordance with IFRS's as adopted by the European Union.

Going Concern

The Company currently meets its day-to-day working capital requirements out of cash balances and the Directors consider the cash balances, together with income generated from its investments and funds committed from investors, are sufficient to meet the Company's needs. In the period the Company acquired full ownership of Law Financial Ltd (see note 9) which has resulted in the Group having substantial net assets. The trend of the Group is significantly positive with various near term investments, funded by equity and long term loan stock, close to completion which will further improve both the Group's liquidity and balance sheet substantially.

The Company has a long term liability to the Jerome Group Plc Retirement Benefits Plan. The directors have been in active discussions with the Pension Trustee, the Pensions Regulator and the Pension Protection Fund ("PPF") in an attempt to resolve the pension deficit issue. It is envisioned that the pension fund will ultimately enter the PPF. The best mechanism of achieving this is currently under review.

On this basis the Directors consider it appropriate to prepare the financial statements on the going concern basis.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. On this basis, the directors consider it appropriate to prepare the interim financial statements on the going concern basis.

3. Significant accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the financial statements for the 18 months ended 30th September 2013, as described in those financial statements. Any new amended Accounting Standards applicable for the period do not have a significant effect. These accounting policies are expected to be applied for the full year to 30th September 2014.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

4. Segmental analysis

The company only has one operating segment relating to property rental and management of businesses. Disclosure is in accordance with IAS 34. All operations are continuing and in the UK.

5. Earnings per share

The calculation of basic and diluted earnings per share is based upon the loss for the period and the weighted average number of shares in issue during the period. There is no difference between basic and diluted earnings per share in either period.

	Unaudited 6 months ended 31 March 2014 No:	Unaudited 6 months ended 31 March 2013 No:	Audited 18 months ended 30 September 2013 No:
Weighted average number of shares	13,386,786	12,758,984	12,587,470
Earnings/(loss) per share	64.9p	(2.8p)	(42.0p)

6. Share capital

	Unaudited 31 March 2014 £'000	Unaudited 31 March 2013 £'000	Audited 30 September 2013 £'000
Authorised:			
New ordinary shares 10p each			
52,736,850	5,274	5,274	5,274
Allotted, called up and fully paid:			
New ordinary shares 10p each			
14,498,783	1,450	1,319	1,319

On 4th March 2014 £130,570 of Unsecured Loan Stock 2021 was issued by the Company to fund corporate finance activities. The subscribers to the loan stock elected to convert the loan stock into 1,305,700 ordinary 10p shares on 21st March 2014.

As at 31st March 2014 options were outstanding in respect of a total of 3,935,671 new ordinary 10p shares exercisable at a price of 11p. These options are exercisable until 30th August 2018.

In addition warrants to subscribe for 35,090,378 ordinary shares at a price of 5p each are outstanding at 31 March 2014. These warrants are exercisable between 6th August 2017 and 6th September 2018 subject to shareholder approval of a share capital re-organisation,

7. Directors' Statement of Responsibilities

The Directors confirm to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;
- The interim management report includes a fair review of the information required by DTR 4.2.7R being an indication of important events that have occurred during the first 26 weeks 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 26 weeks of the year; and
- The interim management report includes a fair review of the information required by DTR 4.2.8R being disclosure of related party transactions and changes therein since the last annual report.

By order of the Board -

Doug Ware , CEO 20th August 2014

8. Related party transactions and post balance sheet events

Included in other financial assets are loan notes of £400,000 (31st March 2013 - £800,000) due from Trimmings by Design Limited an associated company in which the Company had a 44% interest as at 31 March 2014. The

loan notes are subject to interest at 6.5% amounting to an interest revenue for the period of £26,000 (2013 - £26,000) and as at the period end there was £nil (2013 £nil) of unpaid interest within Trade and other receivables. In July 2014 the Company sold its investment in Trimmings By Design Limited for £1 and accepted the sum of £399,999 in early repayment of £800,000 of loan notes not due for repayment until 31st December 2200.

On 14th April 2014, the Company issued £302,400 and £24,000 of the unissued Secured Convertible Loan Stock 2019 to European and Asian Ltd (the holding company of Mandolyn Ltd of which Doug Ware is a director) and Richard Spurway, a director, respectively. The consideration for the issue was the cancellation of the remaining notice period on their respective contracts. This was in order to secure the remaining monies due to the respective parties in accordance with their contracts should their roles be terminated and/or their contracts not being honoured for any reason. They have agreed to surrender all the loan stock for nil consideration once an agreement is reached with the Pension Trustee, the Pension Regulator and the PPF. This would enable the re-structuring of the Company with the scheme being transferred into the PPF.

In May 2014, contracts were exchanged for the sale of our Keighley freehold property for £475,000. Completion of the sale is due before the end of September 2014.

9. Acquisition

On 16th April 2013 the Company acquired a 26% stake in Law Financial Limited (“LFL”) for £250,000 payable in unsecured convertible loan notes issued by the Company repayable in 2019. Law Financial Ltd is a recently incorporated company with a number of subsidiaries, one of which owns an ongoing legal claim against the assets of Rangers Football Club Limited.

The Company was also granted an option to acquire the remaining share capital of LFL for £750,000 which was exercised on 28th October 2013.

The Company has now ceased to account for LFL as an associated company from 28th October 2013 and LFL has been consolidated as a 100% subsidiary of the Company in these interim financial statements.

At the date of acquisition the directors assessed the fair values of the assets purchased as follows:

	Book value	Fair value	Fair value
	£'000	adjustment	£'000
	£'000	£'000	£'000
Investments – legal claims	10,000	-	10,000
Other receivables	100	-	100
Other payables	(66)	-	(66)
Gain on bargain purchase	-	(9,034)	(9,034)
	<u>10,034</u>	<u>(9,034)</u>	<u>1,000</u>
Settled by:			£'000
Issue of Unsecured Loan Notes			<u>1,000</u>

Included in the results for the period are losses of £60,000 in the period excluding the gain on purchase of a bargain assets of £9,034,000.

The fair value of the net assets acquired was £10,034,000 which is in excess of the £1m cost of acquisition. Accordingly under IFRS the consolidated income statement has been credited with a gain on bargain purchase of £9,034,000 in the period and has been included as a separately disclosable item.

10. Availability of Interim Report

A copy of this report in pdf format is available on the company's website at www.worthingtongroupplc.com. Copies of this report are also available from The Secretary, Worthington Group plc, 1 The Green, Richmond, Surrey TW9 1PL.

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End of interim statement

Financial statement for the 18 months ended 30 September 2013

Chief Executive's Statement

The period ending 30th September 2013 has been a difficult but also challenging and interesting time for the Company following my appointment on 1st June 2012.

The Company recorded a loss for the period of £5,285,000 (2012: loss of £625,000). This was largely due to the professional revaluation of our Keighley site investment, review of the value of loan notes not due to be repaid until 2200, write down of value in one of our associated company investments and pension fund costs.

By the period end, our cash balances had reduced to £58,000, from £264,000 in 2012. Unfortunately, for actuarial reasons, the Pension Scheme deficit increased from £3,993,000 in 2012 to £4,071,000 at the end of the period. As previously reported, the pension scheme deficit has continued to represent the principal risk factor faced by the Company. The Company currently pays contributions of £119,000 per annum into the Pension Scheme, plus 20% of any pre-tax profits made in the year. Because of the increase in the deficit, and following the latest tri-annual valuation, the annual contributions are likely to more than treble in the very near future. The Company also pays the annual PPF levy previously borne by the Scheme, this was £61,185 in the period to 30th September 2013 (2012: nil). The Company is also liable for the qualifying costs of the scheme. Clearly, with all these spiralling Pension costs which are not under the Company's control, a solution has to be found. Over the last eighteen months, the Company has been in close contact with the Pension Trustee and the Pensions Regulator with a view to reaching a compromise over the deficit. It is envisaged that the Pension Scheme will ultimately go into the Pension Protection Fund. The best way of achieving this is still under review but we are optimistic that a resolution will be achieved very shortly. We continue to monitor closely the performance of the Scheme's investments which total £7.3m (2012: £7.9m). Legal proceedings are ongoing with regard to the Pension Fund's uncompleted secured loan of £3m to Rangers Football Club. Our legal team are confident that the £3m will be recovered, plus interest & costs.

Because of the uncertainty of the value of the Keighley site following the abortive multi use planning application, a professional valuation of the site was sought from Mazars LLP as at 1st June 2012. Because of the costs involved in completing a residential development, including charges levied by the local authority & taking the economic climate into account, the Mazars' valuation came in at £500,000. If any settlement was to be possible with the Pension Trustee, there would have to be a substantial cash element to it. The Board therefore decided to sell the Keighley site and contracts were exchanged in May 2014 for the sale of the site for £475,000. Completion of the sale is due before the end of September.

Trimmings by Design (“TBD”) is an associated company, in which the Company holds a 44% shareholding and also has a seat on the Board. During the period, the Company received management charges from TBD for £261,250 (2012: dividend of £44,000). Because of the need for liquid funds to satisfy any Pension compromise, the Board opened negotiations for the sale of the Company’s shareholding in TBD to the existing TBD director/shareholders. I am pleased to confirm that agreement was reached, and a sale completed in July 2014, the total value of the transaction was £515,000.

In April 2013, the Company acquired a 26% shareholding in Law Financial Ltd for a consideration of £250,000, satisfied by the release to the vendors of £250,000 of unsecured convertible loan notes. The Company had an option to purchase the remaining 74% of Law Financial Ltd, this option was exercised in October 2013, satisfied by the release to the vendors of a further £750,000 of unsecured convertible loan notes. Law Financial has a number of substantial legal claims and is the first investment that Worthington has made in the legal claims market; we plan to make further investments in the legal claims and litigation funding market over the coming year.

Having spent the last 18 months reviewing the company's existing portfolio; considering how best to maximise or realise investments; taking positive steps to eliminate the company's pension deficit; and providing firm foundations for the company's future growth and development by identifying and negotiating new investment opportunities with the potential for outstanding shareholder returns, I am pleased to be able to say that I believe the current year will prove to be an exciting new phase in the company's development as we celebrate 60 years on the main market of the London Stock Exchange.

I'm particularly excited about the opportunities for substantial acquisitions in emerging markets where we can use our main market London listed paper as currency to acquire exceptional assets with impressive growth profiles. I believe that a good spread of these assets in different international locations also provides important risk management safeguards.

We continue to progress negotiations with the new investments and are confident that we will be able to report positive outcomes in the near future.

I would like to thank our shareholders for the tremendous support we have received during the period as we have evolved from a relatively sleepy investment company into a more dynamic investment business. Our new website reflects the increased vitality and energy that we are bringing to sourcing, negotiating and executing our new investment opportunities. I look forward to the rest of 2014 with considerable optimism.

Doug Ware, Chief Executive
20 August 2014

Income Statement
for the 18 months ended 30 September 2013

		Total	Total
		18 months	12 months
		ended	ended
		30 Sept	31 March
		2013	2012
	Note	£'000	£'000
Revenue	2	264	43
Cost of sales		(41)	(115)
		_____	_____

Gross profit/(loss)		223	(72)
Administrative expenses		(588)	(165)
Share based payment		(58)	(166)
Pension scheme related expenses		(675)	(235)
		<hr/>	<hr/>
Operating loss		(1,098)	(638)
Investment revenues	3	125	87
Investment property write down	4	(3,525)	-
Investments in associate write down	5	(638)	-
Pension finance costs	6	(237)	(101)
Interest payable		(9)	-
Share of results of associate	7	97	27
		<hr/>	<hr/>
Loss before taxation		(5,285)	(625)
Taxation	8	-	-
		<hr/>	<hr/>
Loss after taxation for period		(5,285)	(625)
		<hr/>	<hr/>
Loss per ordinary share from continuing operations			
- Basic	9	(42.0p)	(5.3p)
-Fully diluted	9	N/A	N/A

All items are derived from continuing operations.

Throughout this announcement all references for the current period of 2013 refer to the 18 months ended 30th September 2013. All references for 2012 refer to the 12 months ended 31st March 2012.

Statement of Comprehensive Income
For the 18 months ended 30 September 2013

	2013	2012
	£	£
Loss for the period	(5,285)	(625)
Actuarial loss on retirement benefit obligation	(73)	(979)
	<hr/>	<hr/>
Total comprehensive loss for the period	(5,358)	(1,604)
	<hr/>	<hr/>
Attributable to:		
Owners of the parent	(5,358)	(1,604)
	<hr/>	<hr/>

Statement of Financial Position
As at 30 September 2013 and 31 March 2012

	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Non-current assets				
Interests in associates	250		140	
Other financial assets	-		800	
	<hr/>		<hr/>	
		250		940
Current assets				
Inventories	475		4,000	
Other financial assets	400		-	
Trade and other receivables	1,194		34	
Cash and bank balances	58		264	
	<hr/>		<hr/>	
		2,127		4,298
Total assets		<hr/> 2,377		<hr/> 5,238
Current liabilities				
Trade and other payables	1,136		106	
	<hr/>		<hr/>	
	1,136		106	
Non-current liabilities				
Retirement benefit obligation	4,071		3,933	
Secured and Unsecured convertible loan stock	574		-	
	<hr/>		<hr/>	
	4,645		3,933	
Total liabilities		<hr/> (5,781)		<hr/> (4,039)
Net assets		<hr/> (3,404)		<hr/> 1,199
Equity				
Called-up share capital		1,319		1,181
Share premium account		9,839		9,836
Other reserves		11,182		10,626
Share based payment		224		166
Retained earnings		(25,968)		(20,610)
		<hr/>		<hr/>
Total equity		<hr/> (3,404)		<hr/> 1,199

Changes in Equity

For the 18 months ended 30 September 2013

	Share Capital £'000	Share Premium £'000	Other Reserve £'000	Share Based Payment £'000	Retained Earnings £'000	Total £'000
At 1 April 2011	1,181	9,836	10,626	-	(19,006)	2,637
Share based payment	-	-	-	166	-	166
Total comprehensive loss for the year	-	-	-	-	(1,604)	(1,604)
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At 31 March 2012	1,181	9,836	10,626	166	(20,610)	1,199
Shares issued in period	138	3	-	-	-	141
Share based compensation	-	-	-	58	-	58
Equity component on issue of loan notes	-	-	556	-	-	556
Total comprehensive loss for the period	-	-	-	-	(5,358)	(5,358)
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Balance as at 30 September 2013	1,319	9,839	11,182	224	(25,968)	(3,404)
	=====	=====	=====	=====	=====	=====

Cash Flow Statement

for the 18 months ended 30 September 2013

	2013 £'000	2012 £'000
Cash flow from operating activities		
Operating loss	(1,098)	(638)
Movement in trade and other receivables	(170)	99
Movement in trade and other payables	875	(102)
Share based payment	58	166
(Payments to)/receipts from pension scheme	(172)	11
	-----	-----
	(507)	(464)
Interest paid on loans	(9)	-
	-----	-----
Net cash outflow from operating activities	(516)	(464)
Cash flows from investing activities		
Interest received	84	87
Dividends received	-	44
Loans advanced	(341)	-
Loans repaid	147	350
	-----	-----
Net cash (used)/generated by investing activities	(110)	481
Cash flows from financing activities		

Proceeds from inception of new loans	149	-
Proceeds from new shares issued	128	-
Proceeds from issue of Convertible Loan Stock	143	-
	<hr/>	<hr/>
Net cash generated by financing activities	420	-
(Decrease)/increase in cash and cash equivalents	(206)	17
Opening cash and cash equivalents	264	247
	<hr/>	<hr/>
Closing cash and cash equivalents	58	264
	<hr/>	<hr/>

Notes forming part of the preliminary announcement for the period ended 30th September 2013.

1. Basis of preparation

Worthington Group plc is a company incorporated in the United Kingdom. The Company has its primary listing on the London Stock Exchange.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The financial information in this announcement, which was approved by the Board of Directors on 20 August 2014, does not constitute the Company's statutory accounts for the 18 months ending 30th September 2013 or year ended 31st March 2012, but is derived from these accounts.

Statutory accounts for the year ended 31st March 2012 have been delivered to the Registrar of Companies and those for the 18 months ended 30th September 2013 will be delivered following the Company's annual general meeting. The auditors have reported on these accounts; their reports were unqualified and did not contain statements under S498 of the Companies Act 2006.

The financial information has been prepared on the historical cost basis, except for the revaluation of certain properties and assets. The principle accounting policies applied in the preparation of the consolidated financial statements are consistent with those set out in the statutory accounts for the year ended 31st March 2012.

2. Operating segments

The Company has adopted IFRS 8 with effect from 1st April 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Executive to allocate resources and assess performance.

As a result, following adoption of IFRS 8, the Company's only reportable segment remains property rental and management in the UK.

3. Investment Revenues

	2013	2012
	£'000	£'000
Loan note interest	78	52
Interest and arrangement fees on loans made	47	35
	<hr/>	<hr/>
	125	87
	<hr/>	<hr/>

4. Investment property write down	2013	2012
	£'000	£'000
Write down in the value of inventories	3,525	-
	<u> </u>	<u> </u>

During the period, land at Keighley previously included in the balance sheet at the director's valuation of £4m has been valued by Mazars LLP at £500,000. The reason given for this is because of the costs involved, including local authority charges, in completing a residential development, the economic climate is also a determining factor. Following receipt of a contamination report, the value of the site has been further written down to £475,000. In May 2014, contracts were exchanged for the sale of this freehold property for £475,000, completion of the sale is due before the end of September 2014.

5. Investment in associates write down	2013	2012
	£'000	£'000
Interest in associate write down	638	-
	<u> </u>	<u> </u>

In July 2014 the Company sold its investment in Trimmings By Design Limited for £1 and accepted the sum of £399,999 in early repayment of £800,000 of loan notes not due for repayment until 31st December 2200.

Accordingly a write down of the Company's investment in Trimmings By Design together with the carrying value of the loan notes has been made amounting to £638,000.

6. Pension Finance Costs	2013	2012
	£'000	£'000
Pension scheme net finance charge	237	101
	<u> </u>	<u> </u>

7. Share of results of associates	2013	2012
	£'000	£'000
Share of profits after tax	131	48
Associates' net finance costs	(34)	(21)
	<u> </u>	<u> </u>
	97	27
	<u> </u>	<u> </u>

8. Taxation

No corporation charge has been provided for the 18 months ended 30th September 2013 or year ended 31st March 2012 as a result of the availability of various reliefs.

9. Loss per share

The earnings per share has been calculated using the weighted average number of ordinary shares in issue during the relevant financial periods. The weighted average number of shares in issue during the period were 12,587,470 (2012: 11,807,014) and the loss after taxation was £5,285,000 (2012: £625,000).

There is no difference between the basic and diluted losses per share in either period.

10. Convertible Loan stock

In November 2012 the Company approved the issue of up to £475,000 of Secured Convertible Loan Stock ("SCLS 2019") secured on the Company's assets. The loan notes do not bear interest and the holders of each 10p of SCLS 2019 loan stock received bonus warrants entitling them to subscribe for 2 ordinary shares in the Company to the value of the SCLS at a price of 5p per share within 5 years of their issue. The exercise price is subject to shareholder approval of a capital reorganisation to be undertaken reducing the par value of the Company's ordinary shares to 5p or below. The SCLS 2019 loan notes are redeemable on 26th November 2019.

During the period, £143,125 of Secured Convertible Loan Stock ("SCLS 2019") was issued and £13,606.90 of the SCLS 2019 was converted by holders into 136,069 ordinary 10p shares of the Company.

In accordance with IAS 39 the directors have calculated the net present values of the cash flows in respect of the principal payments over the life of the loans at a rate of 10% which the directors consider would have been the interest payable on a bank loan without the convertible element. Accordingly the SCLS 2019 loan notes are recorded as a financial liability of £61,037 as at 30th September 2013. An equity reserve has been created being the difference in value of the loan at inception and the £143,125 issue value, representing the equity element of the instrument.

On 16th April 2013, the Company issued £1m of Unsecured Convertible Loan Stock 2020. The loan notes do not bear interest and the holders of each 10p of the unsecured convertible loan stock received warrants entitling them to subscribe for 2 ordinary shares in the Company at a price of 5p per share within 5 years of their issue. The exercise price of 5p is subject to shareholder approval of a capital reorganisation to be undertaken reducing the par value of the Company's ordinary shares to 5p or below. The loan notes are redeemable on 16th April 2020.

In accordance with IAS 39 the directors have calculated the net present values of the cash flows in respect of the principal payments over the life of the loans at a rate of 10% which the directors consider would have been the interest payable on a bank loan without the convertible element. Accordingly the loan notes are recorded as a financial liability of £512,890 as at 30th September 2013. An equity reserve has been created being the difference in value of the loan at inception and the £487,110 issue value, representing the equity element of the instrument.

11. Share Capital

On the 9th July 2012 the directors issued 350,000 new ordinary 10p shares at 10.45p each raising proceeds of £36,575 before costs for the Company. On 6th August 2012 the directors issued a further 900,000 new ordinary 10p shares at 10.2p each raising proceeds of £91,800 before costs for the Company.

The Company issued £143,125 of Secured Loan Stock 2019 during the period and holders of £13,606.90 of the loan stock elected to convert these into 136,069 new ordinary 10p shares.

As at 30th September 2013 and the date of this announcement share options were outstanding in respect of a total of 3,935,671 new ordinary 10p shares exercisable at a price of 11p. These options are exercisable until 30th August 2018.

At 30th September 2013 there were 35,090,378 warrants outstanding in respect of ordinary shares in the Company (2012: nil).

The subscribers to the ordinary shares placed in August 2012 received 2,500,000 warrants to subscribe for new ordinary shares at 5p each.

In January 2013, subscribers to the Secured Loan Stock 2019 received 2,590,378 warrants to subscribe for new ordinary shares at 5p each.

In April 2013 subscribers of the £1m unsecured loan stock 2020 also received 20,000,000 warrants to subscribe for new ordinary shares at 5p each.

On 6th September 2013, 8,000,000 warrants to subscribe for ordinary shares at 5p each were issued to European and Asian Ltd the holding company of Mandolyn Ltd (of which D Ware is a director). A further 2,000,000 warrants to subscribe for ordinary shares at 5p each were issued to Richard Spurway a director in the Company.

The exercise price of 5p applying to all the above warrants are subject to shareholders' approval of a capital re-organisation to reduce the par value of the Company's ordinary shares to 5p or below, they are valid for a period of 5 years from the date of issue.

All warrants and convertible loan stock are only exercisable, or convertible, to the extent that the holder, following exercise or conversion, either alone or in concert, does not hold more than 29.9% of the issued voting capital of the Company.

12. Related party transactions

During the period, the sum of £93,600 including VAT (2012: £nil) was paid to Mandolyn Limited for the services in respect of Doug Ware. Doug Ware is a director of Mandolyn Ltd. In addition, during the period, loans totalling £36,500 (2012: £nil) were advanced to the Company by Mandolyn Ltd, these loans were fully repaid as at 30th September 2013. The Company was not charged any interest by Mandolyn Ltd on these loan amounts.

During the period, the sum of £5,000 (2012: £5,000) was paid to Richmond Corporate Developments Limited for the services in respect of former director Anthony Cooke.

Included in other financial assets are loan notes of £399,999 (2012: £800,000) due from Trimmings by Design Limited an associated company in which the Company has a 44% interest. The loan notes are subject to interest at 6.5% amounting to an interest revenue for the period of £78,000 (2012: £52,000) and, as at the period end, there was £nil (2011: £13,000) of unpaid interest within Trade and other receivables.

13. Post balance sheet events

On 16th April 2013, the Company acquired 26% of the shares in Law Financial Ltd in exchange for £250,000 of Unsecured Convertible Loan stock 2020, with an option to acquire the remaining 74% of the shares by 31st October 2013. This option was exercised on 28th October 2013 and the remaining shares were acquired in exchange for £750,000 of Unsecured Convertible Loan Stock 2020. The Unsecured Loan Stock 2020 includes warrants to subscribe for 20m ordinary shares in the Company at an exercise price of 5p each , subject to a share capital re-organisation being approved by shareholders.

On 4th March 2014, in order to fund corporate finance activities, the Company issued £130,570 of Unsecured Convertible Loan Stock 2021 which was subsequently converted into 1,305,700 ordinary 10p shares in the Company on 21st March 2014.

On 14th April 2014, the Company issued £302,400 and £24,000 of the unissued Secured Convertible Loan Stock 2019 to European and Asian Ltd (the holding company of Mandolyn Ltd of which Doug Ware is a director) and Richard Spurway, a director, respectively. The consideration for the issue was the cancellation of the remaining notice period on their respective contracts. This was in order to secure the remaining monies due to the respective parties in accordance with their contracts should their roles be terminated and/or their contracts not being honoured for any reason. They have agreed to surrender all the loan stock for nil consideration once

an agreement is reached with the Pension Trustee, the Pension Regulator and the PPF. This would enable the re-structuring of the Company with the scheme being transferred into the PPF.

In May 2014, contracts were exchanged for the sale of our Keighley freehold property for £475,000. Completion of the sale is due before the end of September 2014.

14. Statement of Directors' responsibilities

Each of the Directors confirms that to the best of their knowledge:

1. The financial statements within the full Annual Report and Accounts from which the financial information within this Final Results announcement has been extracted, have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
2. The management report, which is incorporated into the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company taken as a whole, together with a description of the principal risks and uncertainties.

15. Copies of the Annual Report

Copies of the Annual Report will be available from the Company Secretary at the registered office which is situated at 1 The Green, Richmond, Surrey TW9 1PL. The annual report and AGM notices will also be available for download on the Company's website www.worthingtongroupplc.com.

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