DWF Group plc
("DWF" or "the Company" or "Group")

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The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

9 December 2021

Half-year results for the period ended 31 October 2021 (HY22)
Profitable growth, building on the FY21 transformation

DWF, the global legal business, today announces its half-year results for the period ended 31 October 2021. The Board is delighted with the Group's continued strong performance, building on the transformational results in FY21 with profitable growth and a stronger balance sheet.

GROUP FINANCIAL SUMMARY

£m (unless otherwise stated)	HY22	HY21	Change
Revenue	203.5	196.0	3.8%
Net revenue[1]	173.3	167.6	3.4%
Gross profit	89.0	83.1	7.1%
Gross profit margin[2]	51.3%	49.6%	1.7ppts
Cost to income ratio[1]	39.1%	40.4%	(1.3ppts)
Adjusted EBITDA[1]	31.3	24.7	26.9%
Operating profit / (loss)	13.6	(8.9)	
Adjusted profit before tax ('Adjusted PBT')[1]	18.7	13.4	39.6%
Profit / (loss) before tax ('PBT')	11.0	(11.0)	
Adjusted diluted EPS (pence)[1]	4.7	3.4	38.2%
Diluted EPS (pence)	2.8	(4.0)	
Gross lock-up days[1]	181	196	(15)
Free cash flow[1]	4.2	19.5	(78.5%)
Net debt[1]	(77.2)	(58.5)	(32.0%)
Leverage[1]	1.19	1.44	(0.25)

HY22 HIGHLIGHTS

- Group net revenue growth of 3%, (7% on a like-for-like[3] basis), to £173.3m:
    - 2% reported growth in Legal Advisory, with like-for-like growth of 7%
    - 14% growth in Connected Services (7% organic[4])
    - 8% growth in Mindcrest (all organic)
- Gross margin increase of 1.7ppts from 49.6% to 51.3%, with all three divisions showing revenue growth, gross profit increase and gross profit margin enhancement.
- Adjusted PBT up 40% to £18.7m and a continued downward trend in cost to income ratio dropping by 1.3ppts versus HY21 to 39.1%, reflecting profitable revenue growth and the benefits of previously announced cost reduction measures and restructuring.

- Reported PBT is £11m, which is a £22m improvement on the PY loss before tax. This is due to a much lower level of adjusting items of £7.6m comprising mainly of share-based payment charges from the partner-funded EBT.
- A 15 day (8%) reduction in lock-up days versus PY (and a five day, or 3%, reduction on April 21) reflects ongoing Group-wide initiatives to improve working capital efficiency.
- HY22 free cash flows of £4.2m are after the repayment of £5.4m of COVID deferrals (VAT deferred under the UK government scheme). The HY21 free cash flow comparator of £19.5m benefitted from £10.4m of COVID deferrals (deferral of VAT and other taxes).
- Net debt of £77.2m is higher than PY due to the repayment of COVID deferrals, settlement of deferred consideration and a one-off outflow for the restructuring of Australia, with combined LTM (last twelve month) outflows of £24.8m incurred on these items.
- Total remaining COVID deferrals and deferred consideration at the October 21 balance sheet date are £6.3m compared to £12.4m at April 21 and £17.5m at October 20.
- Leverage has reduced to 1.19x adjusted EBITDA (HY21: 1.44x), reflecting the downward trajectory signposted in earlier guidance.
- Net revenue[1] per partner increased by 9% to £488k (HY21: £446k).

STRATEGIC HIGHLIGHTS

- The Group continues to make good progress in line with its strategy:
    - The differentiated client proposition of providing integrated legal and business services through the Group's three divisions of Legal Advisory, Connected Services and Mindcrest continues to generate new business. During HY22, this Integrated Legal Management approach of providing services from two or more divisions has gained further traction with a year-on-year increase in both the number of clients and percentage of fees generated from such clients.
    - The Group's Net Promoter Score (NPS) is now 63, up from 49 in our last client census (November 2021). This evidences a loyal client base driven by high levels of satisfaction with service delivery and quality. The metric is used across industries and is derived from the proportion of clients who score DWF a '9 or 10' (on likely to recommend), minus those who score a '1 to 6'. It is based on responses from more than 500 clients globally.
    - Management is increasing its focus on growth in Mindcrest and Connected Services over the medium term, through a combination of organic growth opportunities and potential M&A. The Group is investing in high quality scalable processes, technology and infrastructure in Mindcrest which has delivery centres in Pune, India and Chicago, US and will enable the Group to improve its operational gearing in the future by delivering the right work at the right level in the right location.
    - A new ESG strategy has been announced today setting out long-term carbon reduction and Diversity and Inclusion targets.
    - The global "one team" culture has continued to gain traction, with the Group's latest Pulse Survey seeing an increase of 1 percentage point in the overall engagement index (76) since the last survey in December 2020 demonstrating that the Group's values and behaviours are well embedded.
    - M&A remains central to the Group's strategy. The bolt-on acquisitions of BCA and Zing in HY22 have contributed to the strong growth in Connected Services. Management continue to identify a number of potential future M&A opportunities for the Group.
    - The recently announced launch of a regional headquarters for business services in the Kingdom of Saudi Arabia, and an exclusive association with local law firm Al-Ohaly & Partners, is already producing a strong pipeline of new business opportunities in the Middle East.

OUTLOOK AND CURRENT TRADING

- The strong trading in HY22 is expected to continue in the second half of FY22 as the legal sector enjoys sustained demand for services, with the second half also expected to benefit from the normal marginally higher weighting of revenues. The Group remains on track to deliver in line with medium term guidance.
- The Board has approved an interim dividend of 1.5p per share, reflecting the stated policy of paying an interim dividend that is one third of the PY full year dividend.

Sir Nigel Knowles, Chief Executive Officer, commented:

"We are delighted with our performance for the first half of FY22. We have continued to see strong revenue growth on a like-for-like basis, after the decisive action taken in the prior year to exit or slim down a number of businesses. We have seen an improvement in our gross margin and a reduction in our overheads relative to revenue. This has led to a compelling step-change in profitability with our adjusted pre-tax profit increasing by 40%. Our client proposition of providing integrated legal and business services is gaining traction and leading to a strong pipeline of instructions."

"I am also pleased that today we have announced our group ESG strategy, which aligns with our purpose to deliver positive outcomes with our colleagues, clients and communities. The strategy includes new and stretched targets focused on climate action and further improving our diversity and inclusion performance. We want to build on our established programmes to become the market leader in ESG and we believe that the strategy announced today creates a firm foundation to help us achieve our targets. "

The person responsible for making this announcement on behalf of the Company is Chris Stefani, Group Chief Financial Officer.

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About DWF

DWF is a global provider of integrated legal and business services provided through its three offerings of Legal Advisory, Mindcrest and Connected Services. It has offices and associations located across the globe. The Company became the first Main Market Premium Listed legal business on the London Stock Exchange in March 2019. DWF recorded revenue of £400.9 million and net revenue of £338.1 million in the year ended 30 April 2021. For more information visit: dwfgroup.com

Effective from 1 May 2021, the Group transitioned to a new internal operating structure which it believes supports its aim of becoming the leading global provider of integrated legal and business services. DWF has moved from its previous five divisions (Commercial Services, Insurance Services, International, Connected Services and Managed Services) into three more streamlined and efficient global divisions of Legal Advisory, Connected Services and Mindcrest.

Together, the three divisions support DWF's single Integrated Legal Management approach through which the Group can seamlessly combine any number of these services to deliver bespoke solutions to its clients with greater efficiency, price certainty and transparency. This approach enables DWF to offer clients solutions that combine traditional law firm services with new, modern legal and business services relevant to today's companies and the challenges and opportunities they face.

Forward looking statements

This announcement contains certain forward-looking statements with respect to the Company's current targets, expectations and projections about future performance, anticipated events or trends and other matters that are not historical facts. These forward-looking statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan", "estimate", "expect" and words of similar meaning, include all matters that are not historical facts and reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions that could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement.

[1] Described in the glossary to the condensed consolidated interim financial statements.
[2] Gross profit margin is defined as gross profit divided by net revenue.
[3] Like-for-like ('LfL') revenue growth removes both the impact of acquisitions and restructured operations.
[4] Organic revenue growth removes the impact of acquisitions.

Chief Executive Officer's Report

Continued strong performance, building on a transformational year

We are delighted with our performance in the first half of this financial year, with further revenue and profit progression building on the transformation delivered during FY21.

It is now more than six months since we introduced our new operating model, which is delivering greater alignment, collaboration and integration between our three global divisions of Legal Advisory, Connected Services and Mindcrest and delivering to clients the benefits of our Integrated Legal Management approach. Our differentiated proposition is resonating with clients, helping us to win work from new and existing clients and underpinning the 3% reported net revenue growth we have enjoyed in HY22, with 7% growth on a like-for-like basis (excluding the restructured Australian business).

We also remain focused on continuing to improve our operational and working capital performance. This has led to an improvement in our gross margin and a 15-day reduction in lock-up days compared with prior year, with a five-day reduction since April. Leverage has reduced in the period as signposted in earlier guidance and we expect net debt levels to reduce by the end of FY22.

Together, this combination of revenue growth, margin improvement and working capital efficiency has helped to deliver a 40% increase in adjusted profit before tax.

More broadly, we are pleased with the progress made so far this year towards achieving the medium-term targets set out in July. We are therefore confident that we are on-track to meet those objectives.

Living our purpose

Our purpose is to deliver positive outcomes with our colleagues, clients and communities and I am pleased that throughout HY22 we have made progress in each of these areas.

Colleagues

Colleague engagement is so important to our business, where everybody has a contribution to make to our collective success. I have continued to host regular 'Town Hall' style events for all colleagues to provide strategic updates, but I have also enjoyed hosting our 'Coffee and Chat' events through HY22. These sessions are for much smaller groups and provide a more informal setting for colleagues to ask Matthew Doughty, our COO, and I any questions they may have. They have proven popular and I have been able to spend time with colleagues from almost all of our 30+ locations through these sessions over the past year.

Another important theme of our engagement activities is reward and recognition. I am pleased that through the Group Bonus Plan introduced last year, we were able to reward around 90% of colleagues with a bonus for our FY21 performance. These bonus payments were made during HY22 and meant that a significantly higher proportion of our colleagues received a bonus this year than ever before for DWF. This plan is linked to the overall performance of the Group, aligning our colleagues with the interests of our shareholders. Our annual colleague awards programme saw a record number of nominations this year, with more than 800 people taking the opportunity to recognise a colleague for a job well done, a great reflection of our culture at DWF.

Taken together, these and many other activities, contributed towards an increase in the headline engagement score in our Pulse Survey which went up from 75 to 76, with the response rate to the survey also increasing.

Clients

With clients, we have continued to invest in developing our skills and capabilities through recruitment, M&A and associations. We have recruited 16 new partners in HY22 across a range of our locations and practice areas, integrated our two Connected Services acquisitions that we announced in May and have already developed a healthy flow of work with our two new associations in Singapore and South Africa. I am also very pleased that in October we announced a further new association, this time in the Kingdom of Saudi Arabia, together with the opening in Riyadh of a new regional headquarters for business services.

Our differentiated proposition and commitment to continue investing in our services is helping to generate new business. During HY22, our Integrated Legal Management approach of providing services from two or more of our divisions has gained further traction with a year-on-year increase in both the number of clients and percentage of fees generated for such clients. In addition, fees derived from the Group's key account clients has delivered strong double-digit year-on-year growth.

In the period, we were appointed or reappointed to 13 legal panels or frameworks, including Hiscox and the Metropolitan Police. We also won new contracts with adidas and Capita Commercial Insurance Services, along with advising on high-profile cases such as the British Airways data breach litigation.

This is also evidenced through our strong net promoter score, which in our most recent client census rose to 63, up from 49. This evidences a loyal client base driven by high levels of satisfaction with service delivery and quality. The metric is used across industries and is derived from the proportion of clients who score DWF a '9 or 10' (on how likely they are to recommend), minus those who score a '1 to 6'. It is based on responses from more than 500 clients globally.

Communities

We are also delivering positive outcomes with the communities in which we operate. The DWF Foundation, an independent charity supported by the fundraising activities of DWF colleagues, is celebrating its sixth birthday this month. Since its formation, it has provided more than £680,000 in grants to hundreds of charities in the UK and around the world. In the past six months DWF Foundation grants have helped to fund more than 50 projects which seek to deliver positive outcomes in education, health and wellbeing, and environment and sustainability.

The DWF Foundation has also continued to benefit from DWF's listed status, thanks to the donation of 1.8 million shares by DWF partners to the DWF Foundation at the time of the Group's IPO. As a result of this donation, the DWF Foundation received more than £70,000 of income from the Group's FY21 dividend, an important source of funding during the pandemic era when fundraising activities have proven more challenging.

ESG

We have also published our global ESG strategy today. It includes ambitious science-based targets through which we have committed to achieve carbon emission reductions consistent with the Paris Agreement, along with new, stretched targets to further improve the Group's diversity and inclusion performance. ESG has been a rapidly growing issue within boardrooms over the past 12 to 18 months and through our strategy we aim to build on our established programmes to become a market leader in ESG.

Outlook and current trading

The strong trading in HY22 is expected to continue in the second half of FY22 as the legal sector enjoys a high demand for services, with the second half also expected to benefit from the normal second-half weighting of revenues. The Group remains on track to deliver in line with medium term guidance.

FINANCIAL REVIEW – PROFITABLE GROWTH, BUILDING ON THE FY21 TRANSFORMATION

Financial overview

The performance for HY22 has shown strong improvement on the same period in FY21, particularly with respect to the Group's profitability.

All three divisions have shown revenue growth, gross profit and gross profit margin improvement in HY22 compared to the equivalent period in the prior year with aggregate net revenue growth of 3% (7% on a like for like basis, which excludes the results of DWF Australia following the restructuring of operations in March 2021). Gross margin of 51.3% (HY21: 49.6%) reflects tight cost control and the benefit of the aforementioned FY21 restructuring of our Australian practice. Revenue performance, combined with direct cost control, has improved gross profit contribution. Continued strict control of overhead expenditure together with increasing scalability of our support services have driven a reduction to the cost to income ratio from 40.4% in HY21 to 39.1%. This has led to growth in Adjusted Profit before Tax of 40% to £18.7m for HY22 from £13.4m in HY21 and an increase in Profit before Tax to £11m from a loss of £11m in HY21. Adjusted PBT Margin improved from 8.0% in HY21 to 10.8% in HY22 with further improvement expected in the second half.

Working capital improvement has continued due to the ongoing focus on internal operational efficiency with gross lock-up days reducing to 181 (HY21: 196 days and FY21: 186 days).

Revenue

Revenue is £203.5m for HY22 (HY21: £196.0m) representing growth of 4%. However, the Group focuses revenue measurement on net revenue as revenue is distorted by the level of recoverable expenses incurred on delivery of client matters where such expenses do not necessarily reflect the activity levels of the business.

Group net revenue increased by 3% to £173.3m for HY22 (HY21: £167.6m). The Legal Advisory division has grown organically by 2%. After adjusting for the impact of the Australia restructuring, the like for like growth is 7%. Performance has been particularly strong in the UK Commercial practice areas with strong transactional activity and a growing pipeline of opportunities. Creditable growth continues in the Connected Services division, delivering 7% organic, with reported growth at 14% reflecting the benefits of the acquisitions of Zing and BCA in May 21. Mindcrest also performed well with 8% organic net revenue growth, with further plans for more work to be transitioned from Legal Advisory.

Direct costs

Direct costs were £84.3m, flat vs. HY21 primarily due to the impact of the restructuring in Australia offset by further investment in headcount across each business. Separately, selective investments have been made in 16 partner hires in key jurisdictions where the Group believes there are revenue opportunities which justify the additional spend.

Gross profit

Gross profit grew by 7% to £89.0m in the first half (HY21: £83.1m) together with improved gross profit margin of 51.3%. This is reflective of the revenue growth, tight control of direct costs and benefit following the decision to restructure Australia.

Working capital, net debt and leverage

Working capital improvement continues to be an area of operational focus and opportunity across the business.

There has been further progress on lock-up days, with WIP days reducing to 88 (HY21: 92) and debtor days reducing to 93 (HY21: 104). This gives overall lock-up days of 181 (HY21: 196) which is a reduction of 15 days. There has also been a five-day reduction from the FY21 lock-up days of 186 days, reflecting ongoing focus and progress on working capital efficiency.

Free cash flow generation is £4.2m (HY21 £19.5m). The HY22 free cash flows are after the repayment of £5.4m of COVID deferrals (VAT deferred under the UK government scheme). The HY21 comparator benefitted from £10.4m of COVID deferrals.

There are now only £5m of COVID deferrals to pay, all of which will be settled in H2, reflecting a strengthening balance sheet position and an expected improvement in free cash flows by FY22. The Company did not participate in the UK furlough scheme.

Net debt is £77.2m (HY21 £58.5m). The increase is predominantly due to the repayment of the aforementioned COVID deferrals, settlement of deferred consideration relating to previous acquisitions and a one-off outflow for the restructuring of Australia. Combined outflows for these items were £24.8m over the last twelve months. Net debt is expected to reduce by the end of FY22 to between £65m and £70m.

Despite the transitory increase in net debt, the Group's level of leverage (defined as Net debt divided by last twelve months of Adjusted EBITDA) has reduced as profitability has improved:

	April 2020	**October 2020**	**April 2021**	**October 2021**
Leverage	1.76	1.44	1.04	1.19

Reducing leverage remains an important medium term goal for the Group and further progress is expected by the end of FY22.

Bank re-financing

The Group has commenced a re-financing exercise that is expected to successfully conclude in the third quarter of FY22. The existing main facility expires in January 2023.

Divisional Performance

The divisional performance figures reflect the new structure effective from 1 May 2021 and announced in the latest Annual Report & Accounts.

Legal Advisory

	HY22 £k	**HY21 £k**	**Variance £k**	**Variance %**
Revenue	**172,700**	**168,431**	**4,269**	**+3%**
Net revenue	**143,846**	**141,123**	**2,723**	**+2%**
Direct costs	(68,244)	(69,700)	1,456	-2%
Gross profit	**75,602**	**71,423**	**4,179**	**+6%**
Gross margin	*52.6%*	*50.6%*	*+2.0ppts*	
LfL Net revenue	*141,131*	*132,080*	*9,051*	*+7%*
LfL Direct costs	*(67,049)*	*(64,764)*	*(2,285)*	*+4%*
LfL Gross profit	*74,082*	*67,316*	*6,766*	*+10%*
LfL Gross margin	*52.5%*	*51.0%*	*+1.5ppts*	

Excluding the impact of the restructured Australia operations, as reflected in the Like-for-like ('LfL') results above, the newly formed Legal Advisory division has delivered organic net revenue growth of 7% in HY22 versus HY21 (2% on a reported basis including PY Australian operations).

The extent of net revenue growth varies between service lines and geographies, the latter slightly more impacted by local COVID implications and lockdown restrictions. The division has seen stronger than expected revenue performance (coupled with material direct costs savings) across territories that were subject to restructuring programmes in FY21. In addition, increased collaboration arising from the revised Group structure has boosted performance.

Insurance, primarily still a UK business, has delivered net revenue growth of 3%, with the impact of lockdown restrictions (such as ongoing court backlogs) being mitigated by COVID-related policy claims. The UK corporate, banking, real estate and commercial businesses have collectively grown by 7%, with a strong bounce back following the easing of pandemic restrictions and the return of transactional activity.

Growth in HY22 has been accompanied by cost savings as a result of actions taken during FY21 and close control of direct costs during HY22. The division is in the process of re-balancing its workforce to reduce excess capacity and meet recruitment needs.

The division continues to work more closely with both Mindcrest and Connected Services, thereby increasing client opportunities, the adoption of technology-driven solutions and delivery efficiencies. The ILM (Integrated Legal Management) approach has already resulted in a number of large wins this year to date.

The outlook for the second half of FY22 is positive and all areas of Legal Advisory are reporting strong pipelines. As well as core routes to market, focus will also be on propositions and locations where longer term growth opportunities are anticipated. In the context of an active legal recruitment market, whilst carefully protecting margin, investment in our people will be key to support and incentivise performance over the course of the next six months.

Connected Services

	HY22 **£k**	**HY21** **£k**	**Variance** **£k**	**Variance** **%**
Revenue	**16,514**	**14,437**	**2,077**	**+14%**
Net revenue	**16,325**	**14,272**	**2,053**	**+14%**
Direct costs	(9,048)	(8,194)	(854)	+10%
Gross profit	**7,277**	**6,078**	**1,199**	**+20%**
Gross margin	*44.6%*	*42.6%*	*+2.0ppts*	
Org Net revenue	*15,216*	*14,272*	*944*	*+7%*
Org Direct costs	*(8,519)*	*(8,194)*	*(325)*	*+4%*
Org Gross profit	*6,697*	*6,078*	*619*	*+10%*
Org Gross margin	*44.0%*	*42.6%*	*+1.4ppts*	

The Group's Connected Services division has had a strong first half of the year with net revenue growth of 14% (to £16.3m) compared to prior year. Of this, 7% of the growth is on an organic basis, with the remainder due to the acquisition of Barnescraig & Associates ("BCA") and Zing 365 Holdings Limited ("Zing365") in May 2021. The cultural integration of both acquisitions has been successful and they are both working closely with colleagues across Connected Services and the rest of the Group to share clients and enhance their pipeline.

The division has focused on profitable growth and controlling costs, which has resulted in direct costs increasing by 10% overall and only 4% organically compared to the prior year. This has delivered a gross margin of 44.6% which is 2.0 percentage points higher than the comparative period.

The strong performance in the businesses that have been providing clients with a unified approach to COVID-19 related business interruption claims has continued. Our integrated solution to managing such claims has contributed to further growth in our UK Claims Management and Adjusting business and Forensic Accounting team. We have also seen growth in the number of new claims received, particularly property and casualty claims, as COVID-19 restrictions are eased. Overall, our Claims Management and Adjusting business (with presence in Australia, Canada, France, Ireland, Italy, UK and USA) has grown by 18% and provided an increasing level of fee referrals to Legal Advisory.

Advocacy (DWF's alternative solution to the external Bar and traditional chambers) has also performed well during HY22 with improved profitability due to more effective structuring and management of the team.

In addition to the acquisitions, the new businesses in Connected Services are also gaining traction. The launch of the Global Entity Management proposition has been a success, with new clients secured and an operating system developed in collaboration with our software team 360. One of our larger businesses, Ges-Start (DWF Spain's Connected Service which offers Accounting, Tax and Labour consulting), has grown net revenue by 14% due to their recurring client base and a number of large new projects.

Management are confident with the outlook for the second half of the year with strong pipeline activity across all businesses and a focus on exploring more innovative ways to provide integrated solutions to our clients' needs.

Mindcrest

	HY22 £k	**HY21 £k**	**Variance £k**	**Variance %**
Revenue	**14,276**	**13,082**	**1,194**	**+9%**
Net revenue	**13,137**	**12,168**	**969**	**+8%**
Direct costs	(7,030)	(6,547)	(483)	+7%
Gross profit	**6,107**	**5,621**	**486**	**+9%**
Gross margin	*46.5%*	*46.2%*	*+0.3ppts*	

Mindcrest delivered net revenue growth of 8% in HY22 compared to prior year. The US market has seen a degree of slowdown, producing flat revenues year on year. However, investment into new eDiscovery services has yielded significant revenue and margin growth, diversifying the traditional divisional footprint, to bolster Mindcrest HY22 performance.

The increase in direct costs at HY22 on the same period last year is broadly in line with the increase in revenue. US and India based delivery teams have right-sized their operations to reflect sales projections, whilst maintaining a realistic 'bench' for quick-turnaround, high-margin activity. Solid progress on work transfer is evident with HY22 integrated income growth of 455%, albeit from a low base. More opportunity exists to transition further work from Legal Advisory to Mindcrest, and projects are in place to ensure delivery of this.

The outlook for the second half is improving, with flagship bid opportunities together with incumbent client growth prospects expected to deliver revenue. Macro-economic changes such as increasing interest rates could see further pipeline growth in Lender Services and Debt Recoveries (Practice Areas which suffered regulatory restrictions over the last 12 months).

Administrative expenses

Reported administrative expenses decreased from £92.1m in HY21 to £75.4m in HY22. However there are two factors impacting comparability:

- The inclusion of just £1.1m of non-underlying items in HY22, compared to £12.5m in HY21. The prior period items predominantly relate to acquisition accounting for RCD and Mindcrest.
- A reduction in share-based payments in HY22, with an expense of £4.7m versus £9.5m in the prior period. The prior period expense includes acquisition accounting for RCD.

The items above, together with amortisation of acquired intangible assets and impairment, are excluded from the adjusted administration expenses measure as they are all either one-off, non-cash or non-trading related expenses.

On an adjusted basis, administrative expenses increased 0.2% to £67.8m (HY21: £67.6m). The previously announced cost savings and tight cost control together with structural savings from post-COVID ways of working that continue to suppress travel and business development expense have prevented an increase to overheads. The Group has improved its cost to income ratio to 39.1% (HY21: 40.4%) reflecting the stated strategy of delivering more efficient operational gearing.

Interest

Interest expense comprises £1.0m of interest payable on leases (HY21 £1.0m) and net finance expense of £1.6m (HY21 £1.1m) which represents bank charges, loan interest and interest on the Group's borrowing facilities. The increase in the net finance expense compared to HY21 is a result of a higher net debt position for HY22. IFRS 16-related interest payable on leases of £1.0m is recognised separately on the face of the income statement to allow for greater understanding of the composition of finance costs of the Group.

Profit before tax

Reported profit before tax for HY22 is £11.0m compared to a loss of £11.0m in HY21. This reported position is impacted by the higher level of non-underlying items in HY21 referenced in the Administrative Expenses section. Adjusted PBT is £18.7m compared to the prior period profit of £13.4m, an increase of £5.3m or 40%. This improvement in adjusted profitability reflects the improving activity levels in the business, the benefit of the restructure of our Australian operations and the tight control of costs.

Taxation

The Group is subject to corporation tax and payments on account of £0.4m (HY21 £0.4m) have been made in the first half with a tax charge to the Income statement of £2.0m (HY21 £0.5m). The increase in the tax charge relates to improved profitability, offset by a deferred tax credit relating to the future deduction for unvested share schemes.

Dividend

The Board has approved an interim dividend for FY22 of 1.5 pence per share in line with our policy of paying one third of the prior year total dividend as the interim dividend in the following year. The interim dividend for FY22 is payable on 4 March 2022 to shareholders on the register as at 4 February 2022.

Capital expenditure

The Group has incurred cash outflows on tangible fixed assets of £0.9m in HY22 (HY21: £2.9m). The prior period outflows included office fit-out expense for the new office in Pune, India, to accommodate growth in Mindcrest. Post-COVID ways of working have further reduced tangible fixed asset expense and we expect this to continue for the remainder of the year.

In addition, the Group incurred £2.1m of expenditure on intangibles in HY22 (HY21: £1.2m) primarily relating to the ongoing build of the platform in Mindcrest.

Conclusion

The Group has delivered a strong performance in HY22 against the backdrop of an uncertain macro environment, with activity levels, revenue, cash generation and profitability all showing improvement. Demand for services, and capacity to deliver those services, has steadily improved over the course of HY22. The Group has a strong pipeline of work coming into the second half of the financial year and expects to continue to see benefits from the ongoing focus on profitable growth, cost control and cash generation. This is expected to lead to a further enhancement of gross margin and a reduction in leverage in the medium term.

Statement of Directors' responsibilities

The Directors confirm to the best of their knowledge that the condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and the Disclosure and Transparency Rules of the UK's Financial Conduct Authority, and that the Interim Management Report herein includes a true and fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of 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 financial year; and
- disclosure of material related party transactions that have taken place in the first six months of the current financial year and of any material changes in the related party transactions described in the last Annual Report and Financial Statements.

This responsibility statement was approved by the board of Directors on 8 December 2021 and is signed on its behalf by:

Chris Stefani

Chief Financial Officer

OFFICERS

Directors:

Jonathan Bloomer
Chairman

Chris Sullivan
Deputy Chairman and Senior Independent Director

Sir Nigel Knowles
Chief Executive Officer

Chris Stefani
Chief Financial Officer

Matthew Doughty
Chief Operating Officer

Teresa Colaianni
Independent Non-Executive Director

Luke Savage
Independent Non-Executive Director

Samantha Tymms
Independent Non-Executive Director

Michele Cicchetti
Partner Director

Seema Bains
Partner Director

Company Secretary:
Darren Drabble

Registered office:

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Company registration number: 11561594

FINANCIAL STATEMENTS

Condensed Consolidated Income Statement

	Notes	**Six months ended 31 October 2021 £'000**	Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Revenue	3	**203,490**	**195,950**	**400,948**
Recoverable expenses		(30,182)	(28,387)	(62,818)
Net revenue	3	**173,308**	**167,563**	**338,130**
Direct costs		(84,322)	(84,441)	(166,349)
Gross profit	3	**88,986**	**83,122**	**171,781**
Administrative expenses		(73,443)	(88,638)	(187,471)
Trade receivables impairment		(2,549)	(3,045)	(5,349)
Other impairment reversal / (expense)		593	(369)	(4,595)
Operating profit / (loss)		**13,587**	**(8,930)**	**(25,634)**
Net finance expense	5	(1,560)	(1,132)	(2,682)
Interest payable on leases	5	(999)	(982)	(2,284)
Profit / (loss) before tax		**11,028**	**(11,044)**	**(30,600)**
Adjusted profit before tax		**18,659**	**13,365**	**34,192**
Non-underlying items, share-based payment expense, amortisation of acquired intangibles, impairment and fair value gains on investments and disposal of leases	2	(7,631)	(24,409)	(64,792)
Taxation	6	(1,950)	(531)	(4,567)
Profit / (loss) for the period		**9,078**	**(11,575)**	**(35,167)**
Earnings / (losses) for the period per share attributable to the owners of the parent:				
Basic (p)	8	3.1	(4.0)	(11.9)
Diluted (p)	8	2.8	*(4.0)	(11.9)

*The basic and diluted EPS for the period ending 31 October 2020 has been re-presented (Note 8).

The results for all reported periods arise from continuing operations.

Notes 1 to 22 are an integral part of these consolidated and condensed set of financial statements.

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 31 October 2021	Six months ended 31 October 2020	Year ended 30 April 2021
	£'000	£'000	£'000
Profit / (loss) for the period	**9,078**	**(11,575)**	**(35,167)**
Items that are or may be reclassified subsequently to the income statement:			
Foreign currency translation differences – foreign operations	596	433	(2,855)
Total other comprehensive income / (expense) for the period	**596**	**433**	**(2,855)**
Total comprehensive income / (expense) for the period	**9,674**	**(11,142)**	**(38,022)**

There is no tax charge or expense on items within other comprehensive income.

Notes 1 to 22 are an integral part of these consolidated and condensed financial statements.

Condensed Consolidated Statement of Financial Position

	Notes	**31 October 2021 £'000**	*Re-presented (Note 1.5)* 31 October 2020 £'000	30 April 2021 £'000
Non-current assets				
Intangible assets	10	50,573	48,632	49,173
Property, plant and equipment	11	76,153	78,481	81,781
Investments		-	277	227
Trade and other receivables	12	-	7,841	-
Deferred tax asset		5,325	3,659	4,649
Total non-current assets		**132,051**	**138,890**	**135,830**
Current assets				
Trade and other receivables	12	183,813	203,543	183,506
Cash and cash equivalents (excluding bank overdraft)	13	24,180	32,355	34,711
Total current assets		**207,993**	**235,898**	**218,217**
Total assets		**340,044**	**374,788**	**354,047**
Current liabilities				
Trade and other payables	14	65,383	77,943	85,381
Current tax liabilities		7,077	3,119	6,030
Deferred consideration		507	3,505	1,699
Lease liabilities	15	12,691	12,648	13,104
Other interest-bearing loans and borrowings	16	22,919	3,062	19,434
Provisions		4,017	5,072	3,764
Amounts due to Members of partnerships in the Group	20	29,991	41,453	31,492
Total current liabilities		**142,585**	**146,802**	**160,904**
Non-current liabilities				
Deferred tax liability		7,242	8,708	7,584
Deferred consideration		556	-	-
Lease liabilities	15	65,780	65,768	70,898
Other interest-bearing loans and borrowings	16	78,437	87,747	75,444
Provisions		2,101	1,825	1,837
Total non-current liabilities		**154,116**	**164,048**	**155,763**
Total liabilities		**296,701**	**310,850**	**316,667**
Net assets		**43,343**	**63,938**	**37,380**
Equity				
Share capital	18	3,254	3,246	3,246
Share premium	18	89,365	88,610	88,610
Treasury shares	18	(129)	(20)	(129)
Other reserves		3,733	10,949	6,219
Accumulated losses		(52,880)	(38,847)	(60,566)
Total equity		**43,343**	**63,938**	**37,380**

Notes 1 to 22 are an integral part of these consolidated and condensed financial statements.

Condensed Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Treasury shares £'000	Merger reserve £'000	Share-based payments reserve £'000	Translation reserve £'000	Accumulated losses £'000	Total equity £'000
As at 1 May 2020	**3,246**	**88,610**	**(20)**	**(2,385)**	**9,672**	**(1,426)**	**(28,500)**	**69,197**
Loss for the period	-	-	-	-	-	-	(11,575)	**(11,575)**
Exchange rate differences	-	-	-	-	-	433	-	**433**
Total comprehensive expense	**-**	**-**	**-**	**-**	**-**	**433**	**(11,575)**	**(11,142)**
Share-based payments	**-**	**-**	**-**	**-**	4,655	**-**	1,135	**5,790**
Tax on share-based payments	**-**	**-**	**-**	**-**	-	**-**	93	**93**
At 31 October 2020	**3,246**	**88,610**	**(20)**	**(2,385)**	**14,327**	**(993)**	**(38,847)**	**63,938**
Loss for the period	-	-	-	-	-	-	(23,592)	**(23,592)**
Exchange rate differences	-	-	-	-	-	(3,288)	-	**(3,288)**
Total comprehensive expense	-	-	-	-	-	(3,288)	(23,592)	**(26,880)**
Treasury shares	-	-	(109)	-	-	-	-	**(109)**
Dividends paid	-	-	-	-	-	-	(6,521)	**(6,521)**
Share-based payments	-	-	-	-	(1,442)	-	8,294	**6,852**
Tax on share-based payments	-	-	-	-	-	-	100	**100**
At 30 April 2021	**3,246**	**88,610**	**(129)**	**(2,385)**	**12,885**	**(4,281)**	**(60,566)**	**37,380**

Condensed Consolidated Statement of Changes in Equity (continued)

	Share capital £'000	Share premium £'000	Treasury shares £'000	Merger reserve £'000	Share-based payments reserve £'000	Translation reserve £'000	Accumulated losses £'000	Total equity £'000
At 1 May 2021	**3,246**	**88,610**	**(129)**	**(2,385)**	**12,885**	**(4,281)**	**(60,566)**	**37,380**
Profit for the period	-	-	-	-	-	-	9,078	**9,078**
Exchange rate differences	-	-	-	-	-	596	-	**596**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**596**	9,078	**9,674**
Issue of share capital	8	755	-	-	-	-	-	**763**
Dividends paid	-	-	-	-	-	-	(9,008)	**(9,008)**
Share-based payments	-	-	-	-	(3,082)	-	7,616	**4,534**
At 31 October 2021	**3,254**	**89,365**	**(129)**	**(2,385)**	**9,803**	**(3,685)**	**(52,880)**	**43,343**

Notes 1 to 22 are an integral part of these consolidated and condensed financial statements.

Condensed Consolidated Statement of Cash Flows

	Note	**Six months ended 31 October 2021 £'000**	*Re-presented (Note 1.5)* Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Cash flows from operating activities				
Cash generated from operations before adjusting items	19a	16,270	32,792	65,161
Cash used to settle non-underlying items		(5,513)	(8,026)	(13,167)
Cash generated from operations		**10,757**	**24,766**	**51,994**
Interest paid		(2,413)	(2,241)	(5,064)
Tax paid		(429)	(417)	(3,155)
Net cash generated from operating activities		**7,915**	**22,108**	**43,775**
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired		(1,060)	-	-
Acquisition of subsidiary, deferred consideration		(2,352)	(5,467)	(7,412)
Proceeds from sale of investment		227	-	-
Purchase of property, plant and equipment		(856)	(2,872)	(4,001)
Purchase of other intangible assets		(2,068)	(1,158)	(6,635)
Net cash flows used from investing activities		**(6,109)**	**(9,497)**	**(18,048)**
Cash flows from financing activities				
Purchase of treasury shares		-	-	(109)
Dividends paid		(9,008)	-	(6,521)
Loan arrangement fee		-	(128)	(551)
Proceeds from borrowings		2,925	4,173	19,173
Repayment of borrowings		(725)	(9,294)	(17,553)
Repayment of lease liabilities		(6,331)	(6,618)	(14,191)
Interest received		20	127	98
Capital contributions by Members		1,202	2,640	4,276
Repayments to former Members		(489)	(2,625)	(4,113)
Net cash flows from financing activities		**(12,406)**	**(11,725)**	**(19,491)**
Net (decrease) / increase in cash and cash equivalents		**(10,600)**	**886**	**6,236**
Cash and cash equivalents at the beginning of period		34,580	28,727	28,727
Effects of foreign exchange rate changes on cash and cash equivalents		(239)	133	(383)
Cash and cash equivalents at the end of period	**13**	**23,741**	**29,746**	**34,580**

Notes 1 to 22 are an integral part of these consolidated and condensed financial statements.

Notes to the Condensed Financial Statements

1 Accounting policies

1.1 General information

DWF Group plc (the 'Company'), is a public limited company incorporated on 10 September 2018, domiciled in the United Kingdom under the Companies Act 2006, and registered in England. The registered office is 20 Fenchurch Street, London, EC3M 3AG, United Kingdom.

The principal activities of the Company and its subsidiary undertakings (together referred to as the 'Group') and the nature of the Group's operations are set out in the latest Annual Report and Financial Statements for the year ended 30 April 2021. The entire issued share capital of the Company was admitted to the premium listing segment of the official list of the Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange on 15 March 2019.

The functional currency of the Group is considered British Pounds Sterling, which reflects the currency of the primary economic environment in which the Group operates. The Group financial statements are also presented in British pounds sterling.

1.2 Basis of preparation

This condensed consolidated interim financial information ('Interim Information') was approved for issue by the Board of Directors on 9 December 2021.

The Interim Information is neither reviewed nor audited and does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 April 2021 were approved by the Board of Directors on 21 July 2021 and subsequently filed with the Registrar. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

This Interim Information for the six months ended 31 October 2021 is prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and in accordance with IAS 34: *Interim Financial Reporting* as adopted by the UK ('IAS 34'). The accounting policies, methods of computation and presentation are consistent with those presented in the most recent Annual Report and Financial Statements. The Interim Information should be read in conjunction with the Annual Report and Financial Statements for the year ended 30 April 2021, which have been prepared in accordance with International Financial Reporting Standards as adopted by the UK ('IFRS'), and are available on the Group's website: www.dwfgroup.com.

The Group began reporting under UK-adopted IFRS instead of EU-adopted IFRS at the start of this financial year. At present, there is not a significant difference for the Group in reporting between the two frameworks.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the estimation of income tax (see Note 6).

The Group's forecast and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current banking facilities. The Directors have therefore adopted a going concern basis in preparing the Interim Information.

1.3 Alternative performance measures ('APM's)

In accordance with the Guidelines on APMs issued by the European Securities and Markets Authority ("ESMA"), additional information is provided on the APMs used by the Group below. In the reporting of financial information, the Group uses certain measures that are not required under IFRS.

1.3 Alternative performance measures ('APM's) (continued)

These additional measures provide the Group's stakeholders with additional information on the performance of the business. The measures are consistent with those used internally, and are considered important and insightful to understanding the financial performance and financial health of the Group. The Group's APM's provide an important measure of how the Group is performing by providing a meaningful comparison of how the business is managed and measured on a day-to-day basis and achieves consistency and comparability between reporting periods. The APM's are primarily utilised in the below ways:

- Non-statutory measures. These are often sector specific KPI's such as lock-up days, net revenue and cost to income ratio. These allow greater comparability of the Group's performance within the legal sector. EBITDA and net debt are also widely utilised within the Group and are both regularly used among the legal sector and other listed businesses.

- Adjusting items. These are adjustments to statutory profit metrics such as PBT and operating profit. These are items (both recurring and non-recurring) that are material in nature and include, but are not limited to, costs relating to acquisitions, disposals and significant events or programmes, some of which span multiple years. These items are excluded from adjusted PBT as management believe their inclusion distorts the underlying trading performance.

- Non-underlying items. Non-underlying items, a subset of adjusting items, are non-trading, non-cash or one-off items where management consider the quantum, nature or volatility of such items would distort the view of the underlying performance of the Group. By removing these items the reader is better able to compare like-for-like performance that would otherwise be hard to determine given the inherent volatility within statutory measures.

A complete list of APM's is included and fully defined in the glossary to the condensed set of Financial Statements.

1.4 Accounting estimates and judgement

The preparation of the financial statements under IFRSs requires management to make judgements, estimates and assumptions which affect the financial information. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are reviewed on an ongoing basis.

The key areas of judgements relate to control over the ABS and non-ABS Groups and adjusting items used in alternative performance measures. The key areas of estimation relate to the impairment of unbilled revenue, impairment of trade receivables, professional indemnity provisions.

Regulations in certain jurisdictions in which the Group is represented allow Alternative Business Structures (ABS) where legal firms can be owned by non-lawyers. This is not the case in other jurisdictions (non-ABS). As a result, DWF LLP, the head of the non-ABS group, is not directly owned by any entity within the ABS group (which includes the ultimate parent DWF Group plc).

Critical judgements in applying the Group's accounting policies

Control over the ABS and non-ABS Groups

Consolidation of DWF LLP and the other non-ABS entities depends on the assessment of whether a member of the ABS Group is exposed, or has rights, to variable returns from its involvement with such entity and has the ability to affect those returns through its power over such entity.

A Governance Deed exists between DWF Law LLP (as representative of the ABS group) and DWF LLP. This Governance Deed mandates that the executive Board of both DWF Law LLP and DWF LLP be the same, bestowing DWF Law LLP the ability to affect returns of DWF LLP and meaning that DWF Law LLP's members have rights to variable returns from DWF LLP. On this basis, DWF LLP and the other non-ABS entities are consolidated in these financial statements.

1.4 Accounting estimates and judgement (continued)

Adjusting items used in alternative performance measures

Adjusted performance measures are included to provide users of the financial statements with additional understanding of the trading performance of the Group by removing the impact of income and expenses that, in the Group's opinion, do not reflect the underlying performance of the Group. In assessing such items, the Board exercises significant judgement. Reconciliation from the statutory measure to the adjusted measure is provided in note 2.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing material adjustment of the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Unbilled revenue

The valuation of unbilled revenue is based on an estimate of the amount expected to be recoverable from clients on unbilled matters based on the time spent at a rate which is defined by factors including time spent, the expertise and skills provided, and expenses incurred. Provision is made for such factors as historical recoverability rates, contingencies, the outcomes of previous matters, other forward-looking factors, clients in administration and agreements with clients. Respective amounts are provided in note 12.

Management considers the value of unbilled revenue to be material and has reviewed the significant risk of material change within the next financial year as required by IAS 1:125. A 5% increase in the per-hour recovery rate would lead to a £3,678,000 increase in the carrying value of amounts recoverable from clients in respect of unbilled revenue and a £3,678,000 increase in revenue. A 5% decrease in the per-hour recovery rate would lead to an equal and opposite impact on the carrying value of amounts recoverable from clients in respect of unbilled revenue and revenue.

Trade receivables provision

The provision for impairment involves estimation. The estimation of provisions is established based on interactions between finance, the fee earner and clients, mindful of the specific circumstances of clients and individual matters and invoices and guided by calculation rules applied to the aged population of all trade receivables (excluding those already addressed by more specific provisions).

IFRS 9 Financial instruments requires the expected credit losses to be measured using an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. IFRS 9 allows practical expedients to be used when measuring credit losses. The Group has uses a provision matrix based on the ageing profile of debts and the historical credit loss rates adjusted by a forward-looking estimate that includes the probability of a changing economic environment / specific conditions to a particular client over the coming quarters.

Management considers the trade receivables provision to be material and has reviewed the significant risk of material change within the next financial year as required by IAS 1:125. A 10% improvement in the expected credit loss of receivables would lead to a £1,403,000 decrease in the trade receivables provision (and a corresponding increase in the value of trade receivables). A 10% worsening in expected credit loss of receivables would lead to an equal and opposite impact on the carrying value of the trade receivables provision and administrative expenses.

1.5 Accounting estimates and judgement (continued)

Professional indemnity insurance claims

The recognition and quantification of the potential liability associated with claims and regulatory proceedings involves significant estimation and judgement. Recognition is based on the assessed likelihood of an individual claim's success as follows:

- Where a payment is probable and both the timing and amount of the cash flow can be estimated reliably, a liability (within accruals) is recognised for the best estimate of the cash outflow.
- Where a payment is probable but either the timing or cash outflow is less certain, a provision is recognised for the best estimate of the cash outflow.
- Where a payment is not probable or there is insufficient information to arrive at a reasonable estimate, no provision is recognised but there exists a contingent liability. Management is satisfied that there is no exposure to the Group based on the status of these claims.

A separate asset is recognised within other receivables for the portion of any recognised liability or provision that the Group will recover from its insurers.

The liabilities and provisions associated with professional indemnity insurance claims are most sensitive to the assessment of whether Management consider a claim will be successfully defended. This assessment is based on internal expertise and, where relevant, advice from council and the Group insurer.

1.6 Re-presentation of a comparative period

The cash flows relating to the Group's supplier payment facility are re-presented from borrowings to working capital following the IFRS Interpretations Committee's conclusions around supply chain financing arrangements published in December 2020. The re-presentation has no impact on basic or diluted EPS.

The liability for professional indemnity reflects the expected outflow for legal claims against the Group. This has been re-presented to better reflect the position of claims within the claims lifecycle. Where both timing and amount of outflows are well understood the Group recognises an accrual. Where there is less certainty over the timing and/or amount the estimated liability is classified as a provision. The re-presentation has no impact on basic or diluted EPS.

The following table summarises the amount of the adjustment for each financial statement line item affected:

Period ended 31 October 2020	As previously presented £'000	Supplier payment facility £'000	Professional indemnity £'000	**Re-presented £'000**
Consolidated Statement of Cash Flows				
Decrease in trade and other payables	(1,356)	(146)	(737)	**(2,239)**
Increase in provisions	263	-	737	**1,000**
Movement in supplier payments facility	(146)	146	-	**-**
Consolidated Statement of cash flows – Total of line items affected	**(1,239)**	**-**	**-**	**(1,239)**
Net Debt – Supplier Payment Facility				
Cash flow	146	899	-	**1,045**
Non-cash movement	-	(899)	-	**(899)**
Net Debt – Total of line items affected	**146**	**-**	**-**	**146**
Consolidated Statement of Financial Position				
Other payables	12,451	**-**	(4,212)	**8,239**
Accruals	17,523	**-**	392	**17,915**
Provisions	1,252	**-**	3,820	**5,072**
Consolidated Statement of Financial Position – Total of line items affected	**31,226**	**-**	-	**31,226**

2 Alternative performance measures

Alternative performance measures (APM's) are not intended to supplant IFRS measures but are included in response to investor feedback or to provide readers of the financial statements with additional understanding of the underlying trading performance of the Group.

A complete list of APM's is included and fully defined in the glossary to the condensed set of Financial Statements.

Adjusted profit before tax and adjusted EBITDA reconcile to profit / (loss) before tax as follows:

	Six months ended 31 October 2021	Six months ended 31 October 2020	Year ended 30 April 2021
	£'000	£'000	£'000
Profit / (loss) before tax ('PBT')	**11,028**	**(11,044)**	**(30,600)**
Amortisation of intangible assets – acquired	2,513	2,101	4,609
Impairment (reversal) / expense	(593)	369	4,595
Gain on investment	-	-	(23)
Non-underlying items	1,052	12,457	27,101
Share-based payments expense	4,659	9,482	28,510
Adjusted PBT	**18,659**	**13,365**	**34,192**
Depreciation of right-of-use asset	6,394	5,967	11,977
Other depreciation and amortisation	3,687	3,223	6,989
Interest payable on leases	999	982	2,284
Net finance expense	1,560	1,132	2,682
Adjusted EBITDA	**31,299**	**24,669**	**58,124**

The £593,000 impairment reversal relates to a reduction in the impairment, initially recognised in FY21, of a right-of-use asset as part of the Australian scale-back of operations. The calculation of the impairment reversal includes future sublease income, and hence has been reversed by the amount of expected future cash flows.

2 Alternative performance measures (continued)

Adjusted PBT reconciles to profit / (loss) before tax with reconciling items by nature as follows:

	Six months ended 31 October 2021	Six months ended 31 October 2020	Year ended 30 April 2021
	£'000	£'000	£'000
Profit / (loss) before tax ('PBT')	**11,028**	**(11,044)**	**(30,600)**
Office closures and scale-backs	(336)	5,764	14,898
Acquisition-related expenses	3,308	7,141	20,743
DWF RCD modification impact	-	-	13,796
Change of CEO	-	1,011	1,011
Impact of COVID-19	-	1,011	1,011
Other share-based payment expenses	4,659	9,482	13,333
Adjusted PBT	**18,659**	**13,365**	**34,192**

Acquisition related expenses comprise of £643,000 costs related to the Mindcrest acquisition that were classified as remuneration and not consideration under IFRS 3, £2,513,000 amortisation on acquired intangibles and £152,000 fees for the acquisitions of Zing and BCA.

The cost-to-income ratio is used to assess the levels of operational gearing in the Group. The cost-to-income ratio is defined as administrative expenses less adjusting items and divided by net revenue.

The cost-to-income ratio is calculated as follows:

	Six months ended 31 October 2021	Six months ended 31 October 2020	Year ended 30 April 2021
	£'000	£'000	£'000
Revenue	**203,490**	**195,950**	**400,948**
Recoverable expenses	(30,182)	(28,387)	(62,818)
Net revenue	**173,308**	**167,563**	**338,130**
Administrative expenses	**75,399**	**92,052**	**197,415**
Amortisation of intangible assets - acquired	(2,513)	(2,101)	(4,609)
Impairment reversal / (expense)	593	(369)	(4,595)
Non-underlying items	(1,052)	(12,457)	(27,101)
Share-based payment expenses	(4,659)	(9,482)	(28,510)
Gain on investments	-	-	23
Adjusted administrative expenses	**67,768**	**67,643**	**132,623**
Cost-to-income ratio	**39.1%**	**40.4%**	**39.2%**

3 Reporting segments

In accordance with IFRS 8: *Operating Segments* ('IFRS 8'), the Group's operating segments are based on the operating results reviewed by the Board, who represent the chief operating decision maker ('CODM'). The Group has the following three strategic divisions, which are its reportable segments. These divisions offer different services and are reported separately because of different specialisms within teams in the business Group.

The following summary describes the operations of each reportable segment:

Reportable segment	***Operations***
Legal Advisory Services	Premium legal advice, commercial intelligence and relevant industry experience.
Connected Services	Collection of products and business services that enhance and complement our legal offerings.
Mindcrest	Outsourced and process-led legal services, designed to standardise, systemise, scale and optimise legal workflows.

The revenue and operating profits are attributable to the principal activities of the Group.

Effective from 1 May 2021, the Group changed from five strategic divisions to three more streamlined, consistent and efficient global divisions that match the Group's strategy.

The comparative period tables below have been re-presented to reflect the current divisional structure.

For period ended 31 October 2021 – Reported

	Legal Advisory	Connected Services	Mindcrest	Total
	£'000	£'000	£'000	£'000
Revenue	172,700	16,514	14,276	203,490
Recoverable expenses	(28,854)	(189)	(1,139)	(30,182)
Segment net revenue	**143,846**	**16,325**	**13,137**	**173,308**
Direct costs	(68,244)	(9,048)	(7,030)	(84,322)
Gross profit	**75,602**	**7,277**	**6,107**	**88,986**
Gross margin %	***52.6%***	***44.6%***	***46.5%***	***51.3%***
			Administrative expenses	(75,399)
			Operating profit	**13,587**
			Net finance expense	(1,560)
			Interest payable on leases	(999)
			Profit before tax	**11,028**
			Taxation	(1,950)
			Profit for the period	**9,078**

3 Reporting segments (continued)

For period ended 31 October 2020 – Re-presented

	Legal Advisory	Connected Services	Mindcrest	Total
	£'000	£'000	£'000	£'000
Gross revenue	168,431	14,437	13,082	195,950
Recoverable expenses	(27,308)	(165)	(914)	(28,387)
Segment net revenue	**141,123**	**14,272**	**12,168**	**167,563**
Direct costs	(69,700)	(8,194)	(6,547)	(84,441)
Gross profit	**71,423**	**6,078**	**5,621**	**83,122**
Gross margin %	***50.6%***	***42.6%***	***46.2%***	***49.6%***
			Administrative expenses	(92,052)
			Operating loss	**(8,930)**
			Net finance expense	(1,132)
			Interest payable on leases	(982)
			Loss before tax	**(11,044)**
			Taxation	(531)
			Loss for the period	**(11,575)**

For year ended 30 April 2021 – Re-presented

	Legal Advisory	Connected Services	Mindcrest	Total
	£'000	£'000	£'000	£'000
Gross revenue	345,559	28,752	26,637	400,948
Recoverable expenses	(60,233)	(329)	(2,256)	(62,818)
Segment net revenue	**285,326**	**28,423**	**24,381**	**338,130**
Direct costs	(137,487)	(16,225)	(12,637)	(166,349)
Gross profit	**147,839**	**12,198**	**11,744**	**171,781**
Gross margin %	***51.8%***	***42.9%***	***48.2%***	***50.8%***
			Administrative expenses	(197,415)
			Operating loss	**(25,634)**
			Net finance expense	(2,682)
			Interest payable on leases	(2,284)
			Loss before tax	**(30,600)**
			Taxation	(4,567)
			Loss for the period	**(35,167)**

There are no intra-segmental revenues which are material for disclosure. Administrative expenses represent indirect costs that are not specifically allocated to segments.

4 Reporting segments (continued)

Revenue and net revenue by region

The UK is the Group's country of domicile and the Group generates the majority of its revenue from external clients in the UK. The geographical analysis of revenue and net revenue is on the basis of the country of origin in which the client is invoiced.

The Group's revenue and net revenue by geographical region are as follows:

	Revenue		
	Six months ended 31 October 2021 £'000	**Six months ended 31 October 2020 £'000**	***Re-presented*** **Year ended 31 April 2021 £'000**
UK	153,379	140,019	290,966
Spain	16,500	15,726	33,530
Asia	4,948	4,877	9,260
Rest of World	28,663	35,328	67,192
Total	**203,490**	**195,950**	**400,948**

	Net Revenue		
	Six months ended 31 October 2021 £'000	**Six months ended 31 October 2020 £'000**	***Re-presented*** **Year ended 31 April 2021 £'000**
UK	125,524	114,775	234,824
Spain	16,501	15,726	33,530
Asia	4,286	4,203	7,976
Rest of World	26,997	32,859	61,800
Total	**173,308**	**167,563**	**338,130**

Total assets and liabilities for each reportable segment are not provided to the CODM and therefore not presented.

5 Non-underlying items

The following items have been charged to the Income Statement during the period but are considered to be non-underlying in nature (note 1.3) so are shown separately:

		Six months ended 31 October 2021 £'000	Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Acquisition-related advisory fees - successful	a	152	31	31
Acquisition-related advisory fees - aborted	b	-	-	(544)
Acquisition-related expense	c	643	5,010	15,222
COVID-19-related costs	d	-	1,011	1,011
Closure and scale-back of operations	e	257	5,394	10,370
Costs associated with the change of CEO	f	-	1,011	1,011
Total non-underlying items		**1,052**	**12,457**	**27,101**

4 Non-underlying items (continued)

a. The Group periodically considers and analyses potential acquisition targets and recognises there is inherent complexity and risk associated with acquisitions. The Group manages this by employing external professional advisors to perform legal, financial, commercial and tax due diligence on targets. These costs relate to opportunities the Group identifies and pursues, of which a portion result in successful acquisitions. Acquisition fees in the current period relate to the acquisitions of Zing and BCA.

b. No fees have been incurred in the current period for aborted acquisitions. Prior year aborted acquisition-related advisory fees are releases of accruals for work done in FY20 that were no longer due following the decision to abort the transaction.

c. The current period includes costs related to the Mindcrest acquisition in FY20 that were classified as remuneration and not consideration under IFRS 3. As these costs are not considered recurring and will cease in February 2022, management have included them within adjusting items in order to give greater clarity of underlying trading performance. Prior period expenses are of the same nature, and relate to the Mindcrest and RCD acquisitions.

d. COVID-19 related costs were incurred between March 2020 and October 2020 and relate to one-off additional expenses for IT support and sanitisation of offices that covers the period of the first UK national lockdown. As the Group was not making use of its UK offices during this period and was already supporting agile working across its workforce, these costs are one-off and specifically as a result of COVID-19.

e. Closure and scale-back of operations in the current year relate to the scale-back of the operations in Australia, which began in March FY21, with the cost in the current year reflecting an additional impairment of assets since the estimate made at FY21. The prior year costs relate to the board decision to close the Singapore and Brussels offices and to scale-back the operations in Dubai and Australia. These costs comprise people and supplier exit expenses and the impairment of assets that are deemed potentially irrecoverable as a result of the decision taken. An impairment reversal associated with the decision to scale-back Australia has also been recognised in the period which generates a credit of £593k and is included within adjusting items, but not within non-underlying items. This reversal of impairment is due to having now entered into a sublease agreement for a vacated premises in Australia, and hence the impairment of right-of-use assets recognised in FY21 has been partially reversed.

f. No costs have been incurred in the current period for the change in CEO.

5 Net finance expense and interest payable on leases

	Six months ended 31 October 2021 £'000	Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Finance income			
Interest receivable	20	127	98
	20	**127**	**98**
Finance expense - other			
Interest payable on bank borrowings	1,034	925	1,767
Other interest payable	42	25	47
Bank and other charges	504	309	966
	1,580	**1,259**	**2,780**
Net finance expense	**1,560**	**1,132**	**2,682**
Finance expense - leases			
Interest payable on leases	999	982	**2,284**
	999	**982**	**2,284**

6 Taxation

The tax charge is recognised based on management's best estimate of the full year effective tax rates by geographical unit applied to pre-tax income for the six-month period, which is then adjusted for tax adjusting items arising in the period ended 31 October 2021. The estimated effective tax rate includes the impact of re-measuring deferred tax balances at the end of the year due to the substantive enactment of the increase in the UK corporation tax rate to 25% from 1 April 2023.

	Six months ended 31 October 2021 £'000	Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
UK corporation tax on profit	2,628	275	5,582
Foreign tax on profit	523	443	1,576
Adjustments in respect of prior periods	-	-	(129)
Current tax expense	**3,151**	**718**	**7,029**
Deferred tax credit	(1,248)	(187)	(2,468)
Adjustments in respect of prior periods	47	-	6
Deferred tax credit	**(1,201)**	**(187)**	**(2,462)**
Taxation	**1,950**	**531**	**4,567**

7 Dividends

	Six months ended 31 October 2021 pence per share	Six months ended 31 October 2020 pence per share	Year ended 30 April 2021 pence per share
Final dividends recognised as distributions in the year	**3.00**	-	0.75
Interim dividends recognised as distributions in the year	-	-	1.50
Interim dividends recognised as distributions in the year	-	-	-
Total dividends paid in the period	**3.00**	**-**	**2.25**
Interim and final dividend proposed	**1.50**	**1.50**	**3.00**

	Six months ended 31 October 2021 £'000	Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Final dividends recognised as distributions in the year	**9,008**	-	2,162
Interim dividends recognised as distributions in the year	-	-	4,359
Interim dividends recognised as distributions in the year	-	-	-
Total dividends paid in the period	**9,008**	**-**	**6,521**
Interim and final dividend proposed	**4,880**	**4,868**	**9,737**

On 7 September 2020, the Board approved a final dividend for the year ended 30 April 2020 of 0.75 pence per share. The dividend was paid on 5 November 2020 to all shareholders on the Register of Members on 25 September 2020.

On 9 December 2020, the Board approved an interim dividend for the year ended 30 April 2021 of 1.50 pence per share. The dividend was paid on 5 March 2021 to all shareholders on the Register of Members on 29 January 2021.

On 28 September 2021, the Board approved a final dividend for the year ended 30 April 2021 of 3.00 pence per share. The dividend was paid on 8 October 2021 to all shareholders on the Register of Members on 10 September 2021.

The payment of the dividends noted above did not have any tax consequences for the Group.

An interim dividend for the year ending 30 April 2022 of 1.50 pence per share was approved by the board on 8 December 2021. The dividend will be paid on 4 March 2022 to all shareholders on the Register of Members as at 4 February 2022.

8 Earnings per share

Earnings attributable to owners of the parent	**Six months ended 31 October 2021** **£'000**	*Restated* Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Earnings / (loss) for the period for the purpose of basic earnings per share	**9,078**	**(11,575)**	**(35,167)**

	Number	Number (*restated)	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	297,234,446	291,558,260	294,392,422
Effect of dilutive potential ordinary shares:			
Future exercise of share awards and options	25,225,294	4,384,890	17,067,508
Weighted average number of ordinary shares for the purposes of diluted earnings per share	322,459,740	295,943,150	311,459,930
Earnings / (loss) for the period per share attributable to the owners of the parent:			
Basic earnings per share (p)	3.1	(4.0)	(11.9)
Diluted earnings per share (p)	2.8	(4.0)	(11.9)

The weighted average number of ordinary shares for the purpose of basic earnings per share, and thus the basic earnings per share, for the comparative period ended 31 October 2020 have been restated as they were previously reported in error. The diluted earnings per share figure for this period has also been restated as it was previously reported as being antidilutive.

8 Earnings per share (continued)

	Six months ended 31 October 2021 £'000	Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Earnings / (loss) for the period for the purpose of adjusted earnings per share	**9,078**	**(11,575)**	**(35,167)**
Add/(remove):			
Impairment (reversal) / expense	(593)	369	4,594
Amortisation of intangible assets – acquired	2,513	2,101	4,609
Gain on investments	-	-	(23)
Non-underlying items	1,052	12,457	27,101
Share-based payments expense	4,659	9,482	28,510
Tax effect of adjustments above	(1,513)	(1,851)	(5,503)
Adjusted earnings for the purposes of adjusted earnings per share	**15,196**	**10,983**	**24,121**

	Number	Number (*re-presented)	Number
Weighted average number of ordinary shares for the purposes of adjusted basic earnings per share	297,234,446	291,558,260	294,392,422

Ordinary shares for the purposes of adjusted diluted earnings per share	325,352,865	324,554,653	324,554,653
Adjusted basic earnings per share (p)	5.1	3.8	8.2
Adjusted diluted earnings per share (p)	4.7	3.4	7.4

Tax adjustments of £1,513,000 (31 October 2020: £1,851,000; 30 April 2021: £5,503,000) have been made in arriving at the adjusted earnings per share. This is based on an estimated full year equivalent effective adjusted tax rate.

*The definitions of adjusted basic earnings per share and adjusted diluted earnings per share were modified by management during the year ended 30 April 2021, and the prior year comparative for the period ended 31 October 2020 has been represented accordingly. The definitions of adjusted basic earnings per share and adjusted diluted earnings per share are fully defined in the glossary to the condensed set of Financial Statements.

9 Acquisitions of subsidiaries

Acquisitions in the six months to 31 October 2021

Business combinations are accounted for using the acquisition accounting method as at the acquisition date, which is the date at which control is transferred to the Group.

Two acquisitions were made in the period to 31 October 2021; Zing 365 Holdings Limited "Zing" and BCA Claims and Consulting Limited "BCA". Details of the acquisitions are as follows:

	Country of incorporation	Nature of activity	Date of acquisition	Consideration £'000	Percentage ownership
Zing	UK	Training and compliance	24 May 2021	1,157	100%
BCA	Canada	Claims and adjusting	25 May 2021	2,297	100%

Zing is a compliance training business based in Bristol, and was purchased to further support growth in the Connected division through offering additional services to the Group's customers. BCA is a legal claims business based in Vancouver, and was a market leader at the time of acquisition, so was acquired in order to increase the Group's presence in the local market.

The provisional fair values of the assets and liabilities and the associated goodwill arising from the acquisitions are as follows:

	Zing £'000	BCA £'000
Intangible assets	659	1,064
Trade and other receivables	123	524
Cash and cash equivalents	69	148
Trade and other payables	(276)	(158)
Loans and borrowings	(331)	-
Deferred consideration	(341)	-
Deferred tax liability	(149)	(282)
Net (liabilities) / assets acquired	(246)	1,296
Purchase consideration	1,157	2,297
Purchase consideration satisfied by:		
Initial cash consideration	394	884
Deferred cash consideration	-	1,413
Shares issued to Zing/BCA shareholders	763	-
Provisional goodwill	1,403	1,001

Within the £2.3m consideration for BCA, £1.4m is deferred and payable over three years post-acquisition. This is not contingent on future performance targets. £0.35m of this has been paid in the period.

The goodwill is attributable to the benefits of operating two already well-established businesses in the relevant sector that are expected to be achieved from incorporating the businesses into the Group's operations. As the purchases were not made with any qualifying intellectual property, all goodwill acquired is non-tax deductible.

9 Acquisitions of subsidiaries (continued)

Goodwill is measured at the acquisition date as the fair value of consideration transferred, plus non-controlling interests and the fair value of any previously held equity interests less the net recognised amount (which is generally fair value) of the identifiable assets and liabilities assumed. Goodwill is subject to an annual review for impairment (or more frequently if necessary) in accordance with our accounting policies. Any impairment is charged to the income statement as it arises.

The following intangible assets were recognised at acquisition. These have been measured at their fair value through the multi-period excess earnings method (customer relationships) and royalty relief method (brand).

	Zing £'000	**BCA £'000**
Intangible assets – brands	-	248
Intangible assets – customer relationships	659	816
Deferred tax	(149)	(282)
Total fair value on acquisition	**510**	**782**

Cash flows arising from the acquisition were as follows:

	Zing £'000	**BCA £'000**
Purchase consideration	(393)	(884)
Cash and cash equivalents acquired	69	148
Total fair value on acquisition	**(324)**	**(736)**
Deferred consideration paid in the period	-	(353)
Net cash outflow	**(324)**	**(1,089)**

The acquired businesses, Zing and BCA, contributed revenues of £307,000 and £802,000 respectively to the group for the period.

Transaction costs comprised mainly advisor fees, including financial, tax and legal due diligence. These are all included within administrative expenses (non-underlying) within Note 4.

10 Intangible assets and goodwill

	Goodwill	Acquired: Customer relationships	Acquired: Brand	Software costs	Capitalised development costs	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 May 2021	11,141	35,608	1,633	4,322	11,311	64,015
Additions – internally developed	-	-	-	-	1,588	1,588
Additions – externally purchased	-	-	-	480	-	480
Additions through acquisitions	2,404	1,475	248	-	-	4,127
Effect of movements in foreign exchange	123	(688)	1	(2)	-	(566)
At 31 October 2021	**13,668**	**36,395**	**1,882**	**4,800**	**12,899**	**69,644**
Amortisation and impairment						
At 1 May 2021	1,356	6,128	1,041	1,587	4,729	14,841
Amortisation for the period	-	2,050	463	667	1,185	4,365
Effect of movements in foreign exchange	-	(133)	(1)	(1)	-	(135)
At 31 October 2021	**1,356**	**8,045**	**1,503**	**2,253**	**5,914**	**19,071**
Net book value						
At 31 October 2021	**12,312**	**28,350**	**379**	**2,547**	**6,985**	**50,573**
At 1 May 2021	9,784	29,480	592	2,735	6,582	49,173

11 Property, plant and equipment

	Right-of-use asset	Leasehold improvements	Office equipment and fixtures and fittings	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 May 2021	94,769	16,179	15,366	38,499	164,813
Additions	1,840	330	334	197	2,701
Remeasurement adjustment	(342)	-	-	-	(342)
Effect of movements in foreign exchange	(314)	(8)	(47)	(1)	(370)
At 31 October 2021	**95,953**	**16,501**	**15,653**	**38,695**	**166,802**
Accumulated depreciation					
At 1 May 2021	25,603	13,287	8,235	35,907	83,032
Charge for the period	6,394	404	826	618	8,242
Impairment reversal	(593)	-	-	-	(593)
Effect of movements in foreign exchange	-	(3)	(23)	(6)	(32)
At 31 October 2021	**31,404**	**13,688**	**9,038**	**36,519**	**90,649**
Net book value					
At 31 October 2021	**64,549**	**2,813**	**6,615**	**2,176**	**76,153**
At 1 May 2021	69,166	2,892	7,131	2,592	81,781

See Note 2 for details of the impairment reversal on the Right-of-use asset.

12 Trade and other receivables

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Trade receivables (net of allowance for doubtful receivables)	84,679	93,334	91,185
Other receivables	3,511	2,741	4,898
Amounts recoverable from clients in respect of unbilled revenue	73,566	76,301	66,671
Unbilled disbursements	9,353	9,077	9,437
Prepayments	11,852	21,238	10,463
Reimbursement asset	852	852	852
	183,813	**203,543**	**183,506**
Non-current			
Other receivables	-	152	-
Prepayments and accrued income	-	7,689	-
	-	**7,841**	**-**

Current prepayments and accrued income include £439,000 (31 October 2020: £9,891,000; 30 April 2021: £1,064,000) and non-current prepayments and accrued income include £nil (31 October 2020: £7,689,000; 30 April 2021: £nil) both relating to acquisition-related remuneration expense.

13 Cash and cash equivalents

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Cash and cash equivalents (excluding bank overdrafts)	24,180	32,355	34,711
Bank overdrafts (note 16)	(439)	(2,609)	(131)
Cash and cash equivalents per Statement of Cash Flows	**23,741**	**29,746**	**34,580**

14 Trade and other payables

	31 October 2021 £'000	*Re-presented (Note 1.5)* 31 October 2020 £'000	30 April 2021 £'000
Trade payables	24,507	26,514	28,236
Other taxation and social security	17,795	25,275	27,375
Other payables	4,846	8,239	10,337
Accruals	18,235	17,915	19,433
	65,383	**77,943**	**85,381**

14 Trade and other payables (continued)

Accruals include £2,322,000 (31 October 2020: £1,662,000; 30 April 2021: £4,905,000) relating to acquisition-related remuneration expense. The Group has participated in the UK Government's VAT deferral scheme, which was launched to assist businesses in their response to COVID-19. During the period the Group paid £5,352,000 in VAT that had been deferred due to the Group's participation in the scheme. Within other taxation and social security there remains £5,348,000 (30 April 2021: £10,700,000) of VAT payable which has been deferred from March 2020. This will be fully repaid by February 2022.

15 Lease liabilities

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Balance at the beginning of the period	84,002	84,678	84,678
Additions	1,840	13	16,573
Interest expense related to lease liabilities	999	982	2,284
Net foreign currency translation (gain) / loss	(217)	343	(589)
Disposals		-	(4,836)
Remeasurement adjustment	(823)	-	2,367
Repayment of lease liabilities (including interest)	(7,330)	(7,600)	(16,475)
Balance at the end of the period	**78,471**	**78,416**	**84,002**

Current lease liabilities	12,691	12,648	13,104
Non-current lease liabilities	65,780	65,768	70,898
	78,471	**78,416**	**84,002**

The maturity of lease liabilities at 31 October 2021 were as follows:

Lease payments	**31 October 2021 £'000**	31 October 2020 £'000	30 April 2021 £'000
Period to 30 April 2022	7,128	7,396	14,978
Year to 30 April 2023	14,298	13,851	14,501
Year to 30 April 2024	13,566	13,086	13,270
Year to 30 April 2025	12,133	11,342	11,827
Year to 30 April 2026	10,991	9,884	-
Later years	27,045	29,898	36,775
	85,161	**85,457**	**91,351**
Effect of discounting	(6,652)	(6,952)	(7,350)
Effect of movement in foreign currency translation rates	(38)	(89)	1
Closing lease liability	**78,471**	**78,416**	**84,002**

16 Other interest-bearing loans and borrowings

Obligations under interest-bearing loans and borrowings

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
Current liabilities			
Bank loans	18,612	289	19,099
Supplier payments facility	3,868	164	204
Bank overdrafts	439	2,609	131
	22,919	**3,062**	**19,434**
Non-current liabilities			
Bank loans	78,929	88,120	76,085
Capitalised loan arrangement fees	(492)	(373)	(641)
	78,437	**87,747**	**75,444**
	101,356	**90,809**	**94,878**

Analysis of cash and cash equivalents and other interest-bearing loans and borrowings:

	1 May 2021 £'000	Cash flow £'000	Exchange movement £'000	Non-cash movement £'000	**31 October 2021 £'000**
Cash and cash equivalents	34,580	(10,600)	(239)	-	23,741
Bank loans	(94,544)	(2,200)	175	(480)	(97,049)
Supplier payments facility	(204)	1,572	-	(5,236)	(3,868)
Total net debt (excluding IFRS 16)	**(60,168)**	**(11,228)**	**(64)**	**(5,716)**	**(77,176)**

	1 May 2020 £'000	*Re-presented (Note 1.5)* Cash flow £'000	Exchange movement £'000	*Re-presented (Note 1.5)* Non-cash movement £'000	**31 October 2020 £'000**
Cash and cash equivalents	28,727	886	133	-	29,746
Bank loans	(93,279)	5,249	-	(6)	(88,036)
Supplier payments facility	(310)	1,045	-	(899)	(164)
Total net debt (excluding IFRS 16)	**(64,862)**	**7,180**	**133**	**(905)**	**(58,454)**

	1 May 2020 £'000	Cash flow £'000	Exchange movement £'000	Non-cash movement £'000	**30 April 2021 £'000**
Cash and cash equivalents	28,727	6,236	(383)	-	34,580
Bank loans	(93,279)	1,069	(205)	(2,129)	(94,544)
Supplier payments facility	(310)	23,144	-	(23,038)	(204)
Total net debt (excluding IFRS 16)	**(64,862)**	**30,449**	**(588)**	**(25,167)**	**(60,168)**

16 Other interest-bearing loans and borrowings (continued)

Non-cash movements within Bank loans relate to the amortisation of fees incurred on arrangement of the facility, over the life of the facility. Non-cash movements within the Supplier payments facility relate to the utilisation of the facility to settle liabilities with suppliers, with the Supplier payments facility being settled via cash when the liability becomes due.

17 Financial instruments

The Group's principal financial instruments comprise trade and other receivables, unbilled revenue, cash and cash equivalents, trade and other payables, lease liabilities, bank borrowings and capital contributions from members.

Fair value measurement

The fair value of each class of financial assets and liabilities approximates the carrying value. The table below sets out the Group's accounting classification of each category of financial assets and liabilities and their carrying values at the end of each reporting period:

	Notes	**31 October 2021 £'000**	31 October 2020 £'000	30 April 2021 £'000
Cash and cash equivalents	13	23,741	29,746	34,580
Measured at amortised cost:				
Trade and other receivables	12	171,109	181,453	172,191
Fair value through the profit or loss:				
Investments		-	227	254
Total financial assets		**194,850**	**211,426**	**207,025**
Measured at amortised cost:				
Trade and other payables	14	65,383	81,763	85,381
Deferred consideration		1,063	3,505	1,699
Lease liabilities	15	78,471	78,416	84,002
Borrowings	16	101,356	90,809	94,878
Amounts due to members of partnerships in the Group	20	29,991	41,453	31,492
Total financial liabilities		**276,264**	**295,946**	**297,452**

18 Share capital

	Number of 1p each	Ordinary shares £'000	Share premium £'000	Treasury shares £'000	**Total £'000**
Issued and fully paid ordinary shares					
At 31 October 2020	**324,554,653**	**3,246**	**88,610**	**(20)**	**91,836**
Purchase of treasury shares	-	-	-	(109)	(109)
At 30 April 2021	**324,554,653**	**3,246**	**88,610**	**(129)**	**91,727**
Shares issued in acquisition of Zing 365 Holdings Ltd	798,212	8	755	-	763
At 31 October 2021	**325,352,865**	**3,254**	**89,365**	**(129)**	**92,490**

On 24 May 798,212 ordinary shares were issued as a result of the acquisition of Zing.

19 Cash generated from operations

a) Cash used in operations before adjusting items

	Six months ended 31 October 2021 £'000	*Re-presented (Note 1.5)* Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Cash flows from operating activities			
Profit / (loss) before tax	11,028	(11,044)	(30,600)
Adjustments for:			
Impairment (reversal) / expense	(593)	369	4,595
Amortisation of acquired intangible assets	2,513	2,101	4,609
Depreciation of right-of-use asset	6,394	5,967	11,977
Other depreciation and amortisation	3,687	3,223	6,989
Gain on disposal of leases and investments	-	(23)	(798)
Non-underlying items	1,052	12,457	27,101
Share-based payments expense	4,659	9,482	27,818
Interest payable on leases	999	982	2,284
Net finance expense	1,560	1,132	2,682
Operating cash flows before movements in working capital	**31,299**	**24,646**	**56,657**
(Increase) / decrease in trade and other receivables	(2,583)	3,390	13,120
Decrease in trade and other payables	(11,887)	(2,239)	(176)
Increase / (decrease) in provisions	442	1,000	(296)
(Decrease) / increase in amounts due to Members of partnerships in the Group	(1,001)	5,995	(4,144)
Cash generated by operations before adjusting items	**16,270**	**32,792**	**65,161**

19 Cash generated from operations (continued)

b) Free cash flows

	Six months ended 31 October 2021 £'000	*Re-presented (Note 1.5)* Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Free cash flows			
Operating cash flows before movements in working capital	31,299	24,646	56,657
Net working capital movement	(14,028)	2,151	12,648
Amounts due to Members of partnerships in the Group	(1,001)	5,995	(4,144)
Cash generated from operations before adjusting items	**16,270**	**32,792**	**65,161**
Net interest paid	(2,393)	(2,241)	(5,064)
Tax paid	(429)	(417)	(3,155)
Repayment of lease liabilities	(6,331)	(6,618)	(14,191)
Purchase of property, plant and equipment	(856)	(2,872)	(4,001)
Purchase of other intangible assets	(2,068)	(1,158)	(6,635)
Free cash flows	**4,193**	**19,486**	**32,115**

c) Working capital measures

	31 October 2021 £'000	31 October 2020 £'000	30 April 2021 £'000
WIP days			
Amounts recoverable from clients in respect of unbilled revenue	73,566	76,301	66,671
Unbilled disbursements	9,353	9,077	9,437
Total WIP	**82,919**	**85,378**	**76,108**
Annualised net revenue	**345,612**	**337,277**	**338,130**
WIP days	**88**	**92**	**82**
Debtor days			
Trade receivables (net of allowance for expected credit loss)	84,679	93,334	91,185
Other receivables	3,511	2,741	4,898
Total debtors	**88,190**	**96,075**	**96,083**
Annualised net revenue	**345,612**	**337,277**	**338,130**
Debtor days	**93**	**104**	**104**
Gross lock-up days			
Total WIP	82,919	85,378	76,108
Total debtors	88,190	96,075	96,083
Total gross lock-up	**171,109**	**181,453**	**172,191**
Annualised net revenue	**345,612**	**337,277**	**338,130**
Gross lock-up days	**181**	**196**	**186**

Annualised net revenue reflects the total net revenue for the previous 12-month period inclusive of pro-forma adjustments for acquisitions and discontinuations.

20 Amounts due to Members of partnerships in the Group

Amounts due to Members of partnerships in the Group comprise Members' capital and other amounts due to Members. Members' capital is repayable on retirement of the Member and is therefore classified as a liability. As Members may retire with less than one year's notice and typically have their capital repaid within one year of serving notice, Members' capital is shown as being due within one year. Other amounts due to Members classified as a liability relate to undistributed profits and Members' taxation reserves. Amounts due to Members are classified as liabilities as follows:

	Members' capital £'000	Other amounts due to Members £'000	**Total amounts due to Members of partnerships in the Group £'000**
At 1 May 2021	**13,348**	**18,144**	**31,492**
Members' remuneration charged as an expense	-	20,793	**20,793**
Unrealised foreign exchange translation differences	31	159	**190**
Capital introduced by Members	1,202	-	**1,202**
Repayments of capital	(489)	-	**(489)**
Drawings	-	(23,197)	**(23,197)**
At 31 October 2021	**14,092**	**15,899**	**29,991**

	Members' capital £'000	Other amounts due to Members £'000	**Total amounts due to Members of partnerships in the Group £'000**
At 1 May 2020	**13,231**	**22,621**	**35,852**
Members' remuneration charged as an expense	-	20,727	**20,727**
Unrealised foreign exchange translation differences	(1)	(408)	**(409)**
Capital introduced by Members	2,640	-	**2,640**
Repayments of capital	(2,625)	-	**(2,625)**
Drawings	-	(14,732)	**(14,732)**
At 31 October 2020	**13,245**	**28,208**	**41,453**

	Members' capital £'000	Other amounts due to Members £'000	**Total amounts due to Members of partnerships in the Group £'000**
At 1 May 2020	**13,231**	**22,621**	**35,852**
Members' remuneration charged as an expense	-	41,361	**41,361**
Unrealised foreign exchange translation differences	(46)	(333)	**(379)**
Capital introduced by Members	4,276	-	**4,276**
Repayments of capital	(4,113)	-	**(4,113)**
Drawings	-	(45,505)	**(45,505)**
At 30 April 2021	**13,348**	**18,144**	**31,492**

20 Amounts due to Members of partnerships in the Group (continued)

The average number of Members during the period was as follows:

	31 October 2021	31 October 2020	30 April 2021
Average number of Members of partnerships held by the Group during the period	**362**	382	373

21 Seasonality

Historically, the Group generates one to two percentage points more revenue in the second half of the year when compared to the first. This is due to the number of working days, the timing of annual leave, the timing of resource investments and new client wins.

22 Events after the reporting period

The following event occurred after 31 October but before the approval of the half year results.

On 30 November 2021, the Group agreed a 12-month loan facility from Premium Credit Ltd, this is within the ordinary course of business. The facility is for £7.8m, is unsecured and is repayable within 12 months.

Principal risks and uncertainties

Risk management is key to assisting us in protecting our business for the benefit of all of our stakeholders and helps us to deliver long-term Shareholder value. The Group's strategy takes into account risks, as well as opportunities, which need to be actively managed. Risk management activities include identifying risks and principal risks, undertaking risk assessments and determining mitigating actions. These activities are regularly reviewed against the Group's risk appetite throughout the year by those parties responsible, including the Executive Risk Committee, Internal Audit, the Risk Committee, our Group Chief Operating Officer and ultimately our Board.

The principal risks and uncertainties faced by the Group remain in line with those set out in our Annual Report and Accounts 2021: business, commercial, strategy; conduct and ethics; recruiting and retaining our people; operational; financial and reporting; and financial crime. There have been no significant changes to the principal risks expected for the remaining six months of the year.

Appendix 1

As explained in Note 3, the group changed from five strategic divisions to three.

Reconciliation to previously reported global operating structure for the period ended 31 October 2020 is presented as follows.

	As reported for the period ended 31 October 2020 £'000	Impact of restructure £'000	Re-presented under new operating structure for the period ended 31 October 2020 £'000
Segment net revenue			
Legal Advisory	-	141,123	141,123
Commercial Services	55,799	(55,799)	-
Insurance Services	51,470	(51,470)	-
International	40,251	(40,251)	-
Connected Services	12,840	1,432	14,272
Mindcrest (FY21: Managed Services)	7,203	4,965	12,168
Net revenue	**167,563**	**-**	**167,563**
Segment direct cost			
Legal Advisory	-	(69,700)	(69,700)
Commercial Services	(24,347)	24,347	-
Insurance Services	(25,896)	25,896	-
International	(23,808)	23,808	-
Connected Services	(7,307)	(887)	(8,194)
Mindcrest (FY21: Managed Services)	(3,083)	(3,464)	(6,547)
Direct cost	**(84,441)**	**-**	**(84,441)**
Segment gross profit			
Legal Advisory	-	71,423	71,423
Commercial Services	31,452	(31,452)	-
Insurance Services	25,574	(25,574)	-
International	16,443	(16,443)	-
Connected Services	5,533	545	6,078
Mindcrest (FY21: Managed Services)	4,120	1,501	5,621
Gross profit	**83,122**	**-**	**83,122**

Appendix 1 (continued)

Reconciliation to previously reported global operating structure – period ended 30 April 2021

	As reported for the year ended 30 April 2021 £'000	Impact of restructure £'000	Re-presented under new operating structure for the period ended 30 April 2021 £'000
Segment net revenue			
Legal Advisory	-	285,326	285,326
Commercial Services	110,667	(110,667)	-
Insurance Services	103,884	(103,884)	-
International	85,255	(85,255)	-
Connected Services	25,338	3,085	28,423
Mindcrest (FY21: Managed Services)	12,986	11,395	24,381
Net revenue	**338,130**	**-**	**338,130**
Segment direct cost			
Legal Advisory	-	(137,487)	(137,487)
Commercial Services	(46,245)	46,245	-
Insurance Services	(51,560)	51,560	-
International	(49,012)	49,012	-
Connected Services	(14,406)	(1,819)	(16,225)
Mindcrest (FY21: Managed Services)	(5,126)	(7,511)	(12,637)
Direct cost	**(166,349)**	**-**	**(166,349)**
Segment gross profit			
Legal Advisory	-	147,839	147,839
Commercial Services	64,422	(64,422)	-
Insurance Services	52,324	(52,324)	-
International	36,243	(36,243)	-
Connected Services	10,932	1,266	12,198
Mindcrest (FY21: Managed Services)	7,860	3,884	11,744
Gross profit	**171,781**	**-**	**171,781**

Glossary

Alternative Performance Measures ("APMs")

In accordance with the Guidelines on APMs issued by the European Securities and Markets Authority ("ESMA"), additional information is provided on the APMs used by the Group below. In the reporting of financial information, the Group uses certain measures that are not required under IFRS.

These additional measures (commonly referred to as APMs) provide the Group's stakeholders with additional information on the performance of the business. These measures are consistent with those used internally, and are considered important and insightful to understanding the financial performance and financial health of the Group. The Group's APMs provide an important measure of how the Group is performing by providing a meaningful comparison of how the business is managed and measured on a day-to-day basis and achieves consistency and comparability between reporting periods.

These APMs may not be directly comparable with similar measures reported by other companies and they are not intended to be a substitute for, or superior to, IFRS measures. All Income Statement measures are provided for continuing operations unless otherwise stated.

APM
Net revenue

Closest equivalent statutory measure
Revenue

Definition and purpose
Revenue less recoverable expenses.

Recoverable expenses do not attract a profit margin and can significantly vary month-to-month such that they may distort the link between Revenue and the performance of the Group. Net Revenue is widely reported in the legal sector as the key measure reflecting underlying trading, and allows greater comparability with other legal businesses.

Reconciliation	Six months ended 31 October 2021 £'000	Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Revenue	**203,490**	195,950	400,948
Recoverable expenses	(30,182)	(28,387)	(62,818)
Net revenue	**173,308**	167,563	338,130

APM Adjusting items
Closest equivalent statutory measure None
Definition and purpose Those items which the Group excludes from its statutory metrics to arrive at adjusted profit metrics in order to present a further measure of the Group's performance. These include items which are significant in size or volatility or by nature are non-trading or non-recurring. This provides a comparison of how the business is managed and measured on a day-to-day basis and provides consistency and comparability between reporting periods.
Reconciliation See Note 2.

APM Adjusted earnings before interest, tax, depreciation and amortisation ('adjusted EBITDA')
Closest equivalent statutory measure Operating (loss) / profit
Definition and purpose Operating profit adjusted for adjusting items detailed in Note 2, and adding back depreciation and amortisation. Adjusted EBITDA is useful as a measure of comparative operating performance between both previous periods, and other companies as it is reflective of adjustments for adjusting items and other factors that affect operating performance. Adjusted EBITDA removes the effect of depreciation and amortisation, material volatile items, share based payments expense, capital structure (primarily finance costs/income) and items outside the control of management (primarily taxes).

Reconciliation	Six months ended 31 October 2021 £'000	Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Operating profit / (loss)	**13,587**	**(8,930)**	**(25,634)**
Depreciation of right-of-use asset	6,394	5,967	11,977
Other depreciation and amortisation	3,687	3,223	6,989
Amortisation of intangible assets – acquired	2,513	2,101	4,609
Impairment	(593)	369	4,595
Non-underlying items	1,052	12,457	27,101
Share based payments expense	4,659	9,482	28,510
Gain on investment	-	-	(23)
Adjusted EBITDA	**31,299**	**24,669**	**58,124**

APM
Adjusted profit before tax ("adjusted PBT")
Closest equivalent statutory measure Profit / (loss) before tax
Definition and purpose Profit before tax and after reflecting the impact of adjusting items. Adjusted PBT is useful as a measure of comparative operating performance between both previous periods, and other companies as it is reflective of adjustments for non-underlying items, amortisation of acquired intangibles, share based payments expense, impairment/impairment reversal and other factors that affect operating performance. Adjusted PBT is used to provide a useful and consistent measure of the ongoing performance of the Group. Adjusted measures are reconciled to statutory measures in Note 2.

Reconciliation	Six months ended 31 October 2021 £'000	Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Profit / (loss) before tax	11,028	(11,044)	(30,600)
Adjusting items to profit / (loss) before tax (Note 2)	7,631	24,409	64,792
Adjusted profit before tax	**18,659**	13,365	34,192

APM
Cost to income ratio
Closest equivalent statutory measure Not applicable
Definition and purpose Adjusted administrative expenses as detailed in Note 2, divided by Net revenue as defined above. After adjusting for significant items that are one-off in nature, the cost to income ratio is an essential metric in assessing the levels of underlying operational gearing in the Group. The Group uses the cost to income ratio to measure the efficiency of its activities, a decrease in cost to income ratio indicates an improvement to efficiency, and likewise an increase indicates a decline. Management note that the usefulness of the cost to income ratio is inherently limited by the fact that it is a ratio and thus does not provide information on the absolute amount of operating revenue and expenses.

Reconciliation	Six months ended 31 October 2021 £'000	Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Net revenue	**173,308**	167,563	338,130
Adjusted administrative expenses (Note 2)	67,768	67,643	132,623
Cost to income ratio	**39.1%**	40.4%	39.2%

APM Adjusted administrative expenses	
Closest equivalent statutory measure Administrative expenses	
Definition and purpose Adjusted administrative expenses are defined as administrative expenses less adjusting items (as defined above). Adjusted administrative expenses provide a useful and consistent measure of the ongoing administrative expenses of the Group. In particular, the adjusted administrative expenses are utilised within the Group's definition of 'Cost to income ratio' which is also defined above.	
Reconciliation See Note 2	

APM Net debt	
Closest equivalent statutory measure Cash and cash equivalents less borrowings	
Definition and purpose Net debt comprises cash and cash equivalents less interest-bearing loans and borrowings (including the supplier payments facility). Net debt is one measure that can be used to indicate the strength of the Group's Balance Sheet position and can be a useful measure of the indebtedness of the Group. This metric excludes the Group's lease liabilities in order to provide consistency with how the Group manages and reports its indebtedness and also providing consistency with the definition of Net debt under the Group's banking agreement.	
Reconciliation See Note 16	

APM Gross lock-up days ("lock-up days"), WIP days and debtor days	
Closest equivalent statutory measure Not applicable	
Definition and purpose Definition and purpose Gross lock-up days comprises of work-in-progress ("WIP") days, representing the amount of time between performing work and invoicing clients; and debtor days, representing the length of time between invoicing and cash collection. WIP days is calculated as unbilled revenue divided by annualised net revenue multiplied by 365 days. Debtor days is calculated as trade receivables divided by annualised net revenue multiplied by 365 days. Pro-forma net revenue is the total net revenue for the previous 12 month period with adjustments for acquisitions and discontinuations. Lock up, WIP and debtor days are sector specific KPI's. These allow greater comparability of the Group's performance within the legal sector.	
Reconciliation See Note 19	

APM
Adjusted diluted earnings per share ("adjusted DEPS")

Closest equivalent statutory measure
Diluted earnings per share ("DEPS")

Definition and purpose
Adjusted earnings divided by the total number of ordinary shares in issue, where:

Adjusted earnings is defined as (loss) / earnings from continuing operations adjusted for:

- non-underlying items;
- share-based payments expense;
- gain on investment;
- amortisation of acquired intangible assets;
- impairment; and
- the tax effect of the above items;

Whilst this metric is not prepared in accordance with IAS 33 'Earnings per Share', it is an important APM to provide the Group's stakeholders with a fully diluted EPS metric using the Group's adjusted earnings for the period that is consistent year on year.

Changes to APMs
During FY21, the Directors and management redefined Adjusted Diluted Earnings per Share ("adjusted DEPS") to aid comparability and simplicity. The denominator reflects all ordinary shares in issue, to represent a fully diluted EPS. The difference between the number of shares used for Adjusted Basic EPS and Adjusted Diluted EPS is the number of shares held in trust and the effect of the weighting calculation within the Adjusted Basic EPS denominator.

In addition, the denominator for the Adjusted basic earnings per Share ("adjusted EPS") has been made consistent to the basic EPS measure to provide further consistency to the statutory measure. The definition of adjusted DEPS and adjusted EPS are fully defined below.

Reconciliation
See Note 8

APM
Adjusted earnings per share ("adjusted EPS")

Closest equivalent statutory measure
Basic EPS

Definition and purpose
Adjusted earnings divided by weighted average number of ordinary shares for the purposes of the basic earnings per share calculation. See Adjusted Diluted EPS definition and purpose above for details of adjusting measures.

This metric provides the Group's stakeholders with an EPS metric using the Group's adjusted profitability but with a denominator consistent with the statutory basic EPS measure.

Reconciliation
See Note 8

APM
Organic net revenue growth

Closest equivalent statutory measure
Revenue

Definition and purpose
Year on year growth of net revenue of any business unit that has been in the Group for at least 12 months, always excluding the first 12 months of any business unit that was acquired.

This metric allows the Group's stakeholders to compare net revenue performance without the impact of acquisitions, and therefore on a consistent basis with the prior year.

Reconciliation
Not applicable

APM
Like for like ('L4L')

Closest equivalent statutory measure
N/A

Definition and purpose
Like for like metrics, are applied to Net revenue, Direct Costs, Gross Profit and Gross margin to exclude the results of DWF Australia following the scale back of operations in March 2021.

This metric allows the Group's stakeholders to compare the performance of the business on a consistent basis with the prior period, given that the scale back of the Australian business was a material change to the Group.

Reconciliation
Not applicable

APM
Revenue per partner

Closest equivalent statutory measure
Revenue

Definition and purpose
Revenue per partner is defined as net revenue divided by average number of partners (on a full time equivalent basis) for the period.

This metric allows the Group's stakeholders to view the performance of the business based on average revenue per partner, split by division (this includes both member and employee partners).

Reconciliation	Six months ended 31 October 2021	Six months ended 31 October 2020	Year ended 30 April 2021

	£'000	£'000	£'000
Legal Advisory	445	404	842
Connected Services	692	717	1,428
Mindcrest	6,569	12,168	16,254
Group Total	**488**	**446**	**924**

APM
Annualised net revenue

Closest equivalent statutory measure
Revenue

Definition and purpose
Annualised net revenue reflects the total net revenue for the previous 12-month period inclusive of pro-forma adjustments for acquisitions and discontinuations/closures/scale-backs.

This metric is utilised as a denominator for gross lock up, WIP and debtor day calculations which allow greater comparability within the legal sector consistent with prior and full year metrics.

Reconciliation
Not applicable

APM
Free cash flows

Closest equivalent statutory measure
Not applicable

Definition and purpose
Free cash flow is the amount by which the operating cash flow exceeds working capital, amounts payable to members, tax, interest and capital expenditure.

This metric provides the Group's stakeholders detail around the efficiency of cash generation and utilisation.

Reconciliation
See Note 19

APM
Leverage

Closest equivalent statutory measure
Not applicable

Definition and purpose
Leverage is calculated as net debt, divided by the last twelve months adjusted EBITDA (both defined above).

This metric provides the Group's stakeholders detail around the Group's ability to repay debt and meet payment obligations. Leverage should be compared with a benchmark, or industry average and is widely used by analysts and credit rating agencies.

Reconciliation	Six months ended 31 October 2021 £'000	Six months ended 31 October 2020 £'000	Year ended 30 April 2021 £'000
Adjusted EBITDA (Last 12 months)	64,771	41,515	58,171
Net debt	77,200	58,500	60,168
Leverage	**1.19**	**1.44**	**1.04**