

Appendix 4D

Interim Report

Results for Announcement to the Market

Wilson Group Limited (ABN 22 100 325 184)

This Interim Report is provided to the Australian Securities Exchange (ASX) under ASX listing Rule 4.2A.

Current reporting period: Financial year ended 31 December 2015
 Previous corresponding period: Financial year ended 31 December 2014

1. Results		Percentage change %	31 December 2015
Revenues from ordinary (continuing) activities	down	10.9%	3,646
Profit from continuing operations after tax attributable to shareholders	down	1.3%	2,029
Profit from ordinary activities after tax attributable to shareholders	down	31.8%	1,764
Net profit for the period attributable to shareholders	down	31.8%	1,764
Earnings per share (cents) from continuing operations- statutory basis (based on the weighted average number of shares on issue over the period)	down	5.3%	1.8 cents
Earnings per share (cents) - statutory basis (based on the weighted average number of shares on issue over the period)	down	33.3%	1.6 cents

2. Dividends and distributions	Amount per security (cents)	Franked amount per security (cents)
Interim - 2016 financial year	1.4	1.4
Final - 2015 financial year	0	0
Special - 18 September 2015	2.25	2.25

There are no dividend reinvestment plans in operation.

3. Key Dates

Interim Report date	25 February 2016
Dividend announcement date	25 February 2016
Ex-dividend date	16 March 2016
Dividend record date	17 March 2016
Dividend payment date	31 March 2016

4. Net tangible assets per security	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.41	\$0.50
Net tangible asset backing per ordinary security excluding net deferred tax balances	\$0.41	\$0.38

5. Entities over which control has been acquired or disposed of during the period

Acquired/Disposed	Name of entity	Details
Disposed	Wilson HTM NewCo 2015 Pty Ltd	This entity made no contribution to the Group's net profits from continuing operations during the reporting period and was disposed of as part of sale of the Securities business.
Disposed	Wilson HTM Ltd	This entity made no contribution to the Group's net profits from continuing operations during the reporting period and was disposed of as part of sale of the Securities business.
Disposed	Wilson HTM Corporate Finance Ltd	This entity made no contribution to the Group's net profits from continuing operations during the reporting period and was disposed of as part of sale of the Securities business.
Disposed	Wilson HTM Services Pty Ltd	This entity made no contribution to the Group's net profits from continuing operations during the reporting period and was disposed of as part of sale of the Securities business.

Disposed	Rubicon Nominees Pty Ltd	This entity made no contribution to the Group's net profits from continuing operations during the reporting period and was disposed of as part of sale of the Securities business.
Disposed	Powers Pty Ltd	This entity made no contribution to the Group's net profits from continuing operations during the reporting period and was disposed of as part of sale of the Securities business.
Disposed	Freckle Pty Ltd	This entity made no contribution to the Group's net profits from continuing operations during the reporting period and was disposed of as part of sale of the Securities business.
Disposed	Wilshare Management Pty Ltd	This entity made no contribution to the Group's net profits from continuing operations during the reporting period and was disposed of as part of sale of the Securities business.
Disposed	Tynco Nominees Pty Ltd	This entity made no contribution to the Group's net profits from continuing operations during the reporting period and was disposed of as part of sale of the Securities business.
Disposed	Tonvin Nominees Pty Ltd	This entity made no contribution to the Group's net profits from continuing operations during the reporting period and was disposed of as part of sale of the Securities business.
Disposed	Wilson HTM Custody Services Pty Ltd	This entity made no contribution to the Group's net profits from continuing operations during the reporting period and was disposed of as part of sale of the Securities business.
Disposed	Clynom Nominees Pty Ltd	This entity made no contribution to the Group's net profits from continuing operations during the reporting period and was disposed of as part of sale of the Securities business.

The collective contribution of all of the above entities to the Group's net profits for the prior corresponding period was \$532,000.

6. Details of associates and joint venture entities

Name of company	Effective Ownership Interest
	31 December 2015 %
Plato Investment Management Limited	37.5
Palisade Investment Partners Limited	26.8
Hyperion Holdings Limited	37.5
Foray Enterprises Pty Ltd	30.0
Solaris Investment Management Limited	30.0
Sigma Funds Management Pty Limited	20.6
Antipodes Partners Holdings Pty Ltd	17.3

The aggregate share of net profits of associates and joint venture entities for the current period is \$7,951,000 (previous corresponding period \$5,209,000).

7. Foreign entities

Not applicable.

8. Review status

Refer to pages 4 and 23 of the Interim Report for further information.



Eleanor Padman
Company Secretary

25 February 2016

**Wilson Group Limited
Interim Financial Report
for the half year 31 December 2015**

ABN 22 100 325 184

Wilson Group Limited ABN 22 100 325 184
Interim Financial Report - 31 December 2015

Contents

	Page
Directors' report	1
Interim financial report	5
Directors' declaration	22
Independent auditor's review report to the members of Wilson Group Limited	23

Directors' report

Your Directors present their report on the Group consisting of Wilson Group Limited (the Company or WIG) and the entities it controlled at the end of, or during, the half year ended 31 December 2015.

Directors

The following persons were Directors of Wilson Group Limited during the whole of the half year (except where noted) and up to the date of this report:

Mr A Watson
Mr S M Skala AO
Mr S M Wilson AM
Mr A W M Grant
Mr C Darvall AM (resigned on 31 August 2015)

Review of operations

During the period under review, the Group has continued to transition from being a broad based financial services and wealth management group to one focused on funds management. This process will continue throughout the financial year and its impact can be seen in the Group's financial results for the 6 months to 31 December 2015, where a profit after tax attributable to shareholders of \$1.764 million has been recorded.

The Group's continuing operations have produced pre-tax profits of \$3.3 million and diluted earnings per share of 1.8 cents. A fully franked interim dividend of 1.4 cents has been declared and will be payable to shareholders registered on the record date on 17 March 2016.

The composition of the result for the half year ended 31 December 2015 and the prior corresponding period is as follows:

	Half Year 31 December 2015 \$'000	Half Year 31 December 2014 \$'000
Pinnacle	4,741	4,152
Wilson Group	(63)	(812)
Group costs not allocated to segments	(1,332)	(992)
Profit from continuing operations before tax and non-controlling interests	3,346	2,348
Income tax (expense)/benefit from continuing operations	(132)	573
(Loss)/profit from discontinued operations	(265)	532
Non-controlling interests	(1,185)	(866)
Profit attributable to Wilson Group Limited	1,764	2,587

The Pinnacle segment result includes the share of the Pinnacle Boutiques' profit after tax of \$7,951,000 (31 December 2014 - \$5,209,000). For further information refer also to note 2(b) of the financial statements - Segment Information.

The result for the half-year includes the sale of the Wilson HTM Securities business, which was sold on 1 July 2015. This is disclosed as a discontinued operation for the half-year and the prior corresponding period. The Wilson Group segment previously included the results of the Securities business.

Profit before tax from continuing operations attributable to shareholders was \$2.1 million compared with \$1.5 million in the prior corresponding period.

Review of operations (continued)

The Pinnacle segment contributed \$4.7 million for the first half 2016, an increase of \$0.5 million. Funds under management (FUM) increased by 17.4% to \$18.9 billion at 31 December 2015. The growth in FUM and strong investment performance combined to deliver a Pinnacle share in profits from its boutiques of \$8.0 million, an increase of 54%.

Employee benefits, commissions and incentives expense were \$1.7 million higher than the prior corresponding period, due largely to growth in staff numbers and compensation in Pinnacle.

The Wilson Group segment now includes the Priority Funds business, Principal Investments and Next Financial. It reported a loss before tax of \$0.1 million for the period, an improvement of \$0.7 million. This was largely attributable to the performance of the Principal Investments portfolio.

The two funds that comprise the Priority Funds business, the Wilson Group Priority Growth Fund and Wilson Group Priority Core Fund, have both performed well during the half-year. Performance fees that accrue to the Priority Funds for above-benchmark performance are not recognised at the half-year (as they crystallise at financial year-end); consequently this business produced a flat result compared to the prior corresponding period.

The process of finalising the operations of Next Financial is now largely complete and we expect minimal continuing costs.

Unallocated Group costs of \$1.3 million were \$0.3 million higher than the prior corresponding period due largely to one-off costs arising from additional audit expenses and other professional costs.

The Group incurred a loss in relation to discontinued operations of \$0.3 million for the half-year, which relates to the Wilson HTM Securities business which was sold on 1 July 2015. This includes both a small loss on disposal and additional expenses incurred post-sale. In the prior corresponding period the Wilson HTM Securities business contributed an operating result of \$0.5 million profit after tax to the Group.

Income tax expense was \$0.1 million and relates to a tax adjustment from prior periods. In the prior corresponding period the Group recognised an income tax benefit of \$0.5 million. The Group's DTA in relation to tax losses was de-recognised at 30 June 2015.

Net tangible assets per share are 41 cents, an increase from 40 cents per share reported at 30 June 2015.

Group Cash and Principal Investments totaled \$21.6 million as at 31 December 2015, an increase of \$1.8 million during the half year. During July 2015, the Group received cash of \$4.0 million as consideration for the Securities business (refer to note 13 of the financial statements). The Company also paid a \$2.5 million special dividend to shareholders during September 2015.

The Group continues to have no corporate borrowings.

Matters subsequent to the end of the reporting period

There has not arisen in the interval between the end of the half year and the date of this directors' report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to significantly affect the :

- Group's operations in future financial years; or
- Results of those operations in future financial years; or
- Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.

A handwritten signature in black ink, appearing to read 'A Watson', with a stylized flourish at the end.

Mr A Watson
Chairman
Sydney
25 February 2016



Auditor's Independence Declaration

As lead auditor for the review of Wilson Group Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Wilson Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'M O'Donnell'.

Michael O'Donnell
Partner
PricewaterhouseCoopers

Brisbane
25 February 2016

Wilson Group Limited ABN 22 100 325 184

Interim Financial Report - 31 December 2015

Contents	Page
Condensed Interim financial report	
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Condensed Consolidated Financial Statements	10
Directors' declaration	22
Independent auditor's review report to the members of Wilson Group Limited	23

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Wilson Group Limited (formerly Wilson HTM Investment Group Ltd by name change effective 1 July 2015) during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim financial report covers the consolidated entity consisting of Wilson Group Limited and its subsidiaries.

The financial report is presented in Australian currency.

Wilson Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Wilson Group Limited
Level 24, 71 Eagle Street
Brisbane QLD 4000

The financial statements were authorised for issue by the Directors on 25 February 2016. The directors have the power to amend and re-issue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All press releases, financial reports and other information are available on our website: www.wilsongrouplimited.com.au

Wilson Group Limited
Consolidated Statement of Comprehensive Income
For the half year ended 31 December 2015

		Half Year	
	Notes	31 December 2015	31 December 2014
		\$'000	(Restated) \$'000
Revenue from continuing operations	3	3,646	4,091
Fair value gains/(losses) on financial assets at fair value through profit or loss		162	(931)
Employee benefits expense		(3,830)	(2,964)
Commissions and incentives expense		(1,727)	(973)
Computers and communications expense		(313)	(237)
Property expense		(455)	(478)
Market information expense		(91)	(141)
Consultants fees		(473)	(236)
Travel and entertainment expense		(204)	(161)
Depreciation and amortisation expense		(12)	(26)
Insurance expense		(189)	(207)
Legal and professional services expense		(478)	(364)
Marketing and advertising expense		(40)	(68)
Structured product expense		-	(30)
Impairment expense	4	(445)	190
Finance costs	4	(47)	(181)
Other expenses		(109)	(145)
Share of net profit of jointly controlled entities accounted for using the equity method		7,951	5,209
Profit before income tax from continuing operations		3,346	2,348
Income tax (expense)/benefit	5	(132)	573
Profit from continuing operations		3,214	2,921
(Loss)/profit from discontinued operations	13	(265)	532
Profit and comprehensive income for the half-year		2,949	3,453
Profit and total comprehensive income for the half-year is attributable to:			
Wilson Group Limited		1,764	2,587
Non-controlling interests		1,185	866
		2,949	3,453
		Cents	Cents
Earnings per share:			
From continuing operations attributable to owners of Wilson Group Limited			
Basic earnings per share	7	1.8	2.0
Diluted earnings per share	7	1.8	1.9
Total attributable to owners of Wilson Group Limited			
Basic earnings per share	7	1.6	2.5
Diluted earnings per share	7	1.6	2.4

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Wilson Group Limited
Consolidated Statement of Financial Position
As at 31 December 2015

	Notes	31 December 2015 \$'000	30 June 2015 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	13,013	13,570
Trade and other receivables		4,964	3,160
Financial assets at fair value through profit or loss		8,617	6,195
Derivative financial assets		-	89
Other current assets		2,211	3,637
Assets classified as held for sale		-	17,094
Total current assets		28,805	43,745
Non-current assets			
Property, plant and equipment		159	53
Intangible assets		8	-
Investments accounted for using the equity method		23,374	19,408
Other non-current assets		237	753
Total non-current assets		23,778	20,214
Total assets		52,583	63,959
LIABILITIES			
Current liabilities			
Trade and other payables		4,487	5,093
Provisions		937	1,939
Other current liabilities		1,675	-
Liabilities classed as held for sale		-	12,225
Total current liabilities		7,099	19,257
Non-current liabilities			
Provisions		174	232
Total non-current liabilities		174	232
Total liabilities		7,273	19,489
Net assets		45,310	44,470
EQUITY			
Contributed equity		61,588	61,466
Reserves		(51)	(307)
Accumulated losses		(21,209)	(20,486)
Capital and reserves attributable to owners of Wilson Group Limited		40,328	40,673
Non-controlling interests		4,982	3,797
Total equity		45,310	44,470

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Wilson Group Limited
Consolidated Statement of Changes in Equity
For the half year ended 31 December 2015

Notes	Attributable to owners of Wilson Group Limited			Non-con- trolling interests \$'000	Total equity \$'000
	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000		
Opening balance at 1 July 2014	57,534	1,231	(6,924)	2,604	54,445
Profit and total comprehensive income for the half year	-	-	2,587	866	3,453
Transactions with owners in their capacity as owners:					
Movement in treasury stock held by employee share trusts	18	-	-	-	18
Transfer from reserves	134	(134)	-	-	-
Dividends paid to shareholders	6	-	(2,848)	-	(2,848)
Share-based payments	-	303	-	-	303
	152	169	(2,848)	-	(2,527)
Closing balance at 31 December 2014	57,686	1,400	(7,185)	3,470	55,371
Opening balance at 1 July 2015	61,466	(307)	(20,486)	3,797	44,470
Profit and total comprehensive income for the half year	-	-	1,764	1,185	2,949
Transactions with owners in their capacity as owners:					
Issue of shares on exercise of options	122	-	-	-	122
Dividends paid to shareholders	6	-	(2,487)	-	(2,487)
Share-based payments	-	256	-	-	256
Closing balance at 31 December 2015	61,588	(51)	(21,209)	4,982	45,310

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Wilson Group Limited
Consolidated Statement of Cash Flows
For the half year ended 31 December 2015

		Half Year	
	Notes	31 December 2015 \$'000	31 December 2014 \$'000
Cash flows from operating activities			
Receipts from customers		2,747	32,379
Payments to suppliers and employees		(8,656)	(33,938)
Dividends received		4,580	5,467
Interest received		185	354
Finance and borrowings costs paid		(2)	(16)
Loan facility advances - clients		-	728
Loan facility repayment - clients		-	(17)
Proceeds from sale of financial assets at fair value through profit or loss		1,035	385
Payments to purchase financial assets at fair value through profit or loss		(3,312)	(4,586)
Distributions received		195	702
Net cash (outflow)/inflow from operating activities		(3,228)	1,458
Cash flows from investing activities			
Repayment of loans to other entities		-	11
Proceeds for disposal of subsidiaries	13	4,000	-
Payments for property, plant and equipment		(85)	(29)
Loan repayments from related parties		2,453	186
Loan advances to related parties		(500)	(240)
Payments for investments in jointly controlled entities		(710)	-
Net cash inflow/(outflow) from investing activities		5,158	(72)
Cash flows from financing activities			
Dividends paid to Company's shareholders		(2,487)	(2,848)
Net cash (outflow) from financing activities		(2,487)	(2,848)
Net (decrease) in cash and cash equivalents		(557)	(1,462)
Cash and cash equivalents at the beginning of the year		13,570	20,604
Cash and cash equivalents at end of half year	8	13,013	19,142

The consolidated statement of cash flows includes cash flows from continuing and discontinued operations.

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of half year report

This condensed consolidated interim financial report for the half year reporting period ended 31 December 2015 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Wilson Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(a) Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, as disclosed in the 30 June 2015 annual report.

(b) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(c) Adjustment of prior period balances

Prior period balances have been adjusted where changes in the business have resulted in additional or altered disclosures in the current period. This includes the adjustment of prior period balances as a result of the classification of the Securities business as a discontinued operation (refer note 13).

These adjustments did not impact reported profit after tax or the net asset position of the Group for the prior comparative period.

2 Segment information

(a) Description of segments

Based on internal management reports used to make strategic decisions that are reviewed by the Board of directors, the business is segmented into two reporting segments, being Pinnacle and Wilson Group. The business segmentation is considered from a product and services perspective and the two reportable segments identified consist of:

Pinnacle

- developing and operating funds management businesses;
- providing distribution, infrastructure support and administration services to the Pinnacle Boutiques; and
- providing distribution support to other external parties.

Wilson Group

- speciality funds management through Priority Funds;
- selected investments as Principal; and
- servicing structured products for clients.

The Wilson Group segment previously included the results of the Wilson HTM Securities business, which is now classified as a discontinued operation – refer to note 13 for further details.

2 Segment information (continued)

(b) Segment Information provided to the Board of Directors

Consolidated Entity	Wilson Group	Pinnacle	Consolidated
31 Dec 2015	\$'000	\$'000	\$'000
Revenue from continuing operations	700	2,725	3,425
Interest income on structured products	14	-	14
Other interest revenue	84	91	175
Total segment revenue	798	2,816	3,614
Unallocated revenue			32
Consolidated revenue			3,646
Segment result			
Segment result	(63)	4,741	4,678
Net unallocated expenses			(1,332)
Profit before income tax from continuing operations			3,346
Income tax expense			(132)
Profit from continuing operations			3,214
Loss from discontinued operations			(265)
Profit for the half-year			2,949
Other segment information			
Segment result attributable to non-controlling interests	-	1,185	1,185

Consolidated Entity	Wilson Group	Pinnacle	Consolidated
31 Dec 2014 (Restated)	\$'000	\$'000	\$'000
Revenue from continuing operations	970	2,633	3,603
Interest income on structured products	170	-	170
Other interest revenue	61	140	201
Total segment revenue	1,201	2,773	3,974
Unallocated revenue			117
Consolidated revenue			4,091
Segment result			
Segment result	(812)	4,152	3,340
Net unallocated expenses			(992)
Profit before income tax from continuing operations			2,348
Income tax benefit			573
Profit from continuing operations			2,921
Profit from discontinued operations			532
Profit for the half-year			3,453
Other segment information			
Segment result attributable to non-controlling interests	-	866	866

Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Board of directors is measured in a manner consistent with that in the Consolidated Statement of Comprehensive Income.

The entity is domiciled in Australia and revenue is predominantly sourced from customers within Australia.

Net profit before income tax

The Board of directors assess the performance of the operating segments based on a measure of net profit before income tax. This measurement basis excludes some corporate overheads and group costs which are not allocated to segments.

3 Revenue from operations

	Half Year	
	31 December 2015	31 December 2014
	\$'000	(Restated) \$'000
<i>Services revenue</i>		
Fund management fees and commissions	1,554	1,621
Service charges to entities under joint control	1,601	1,224
Interest income on structured products (Next Financial)	14	170
Amortisation of loan establishment fees (Next Financial)	-	14
	3,169	3,029
<i>Other revenue</i>		
Interest received or due	175	201
Directors fees	22	22
Distributions and dividends	195	702
Other revenue	85	137
	477	1,062
	3,646	4,091

4 Expenses

	Half Year	
	31 December 2015	31 December 2014
	\$'000	(Restated) \$'000
Profit before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges - corporate	47	71
Amortisation using effective interest rate	-	71
Interest and finance charges - client	-	39
	47	181
Impairment expense - loans to related parties and investments accounted for using the equity method	1,025	69
Reversal of impairment expense – loans to related parties and investments accounted for using the equity method	(580)	(259)
Net impairment expense	445	(190)

Impairment recognised on loans to related parties and investments accounted for using the equity method primarily result from the performance of the individual underlying investments.

5 Income tax expense/(benefit)

Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable

	Half Year	
	31 December 2015	31 December 2014
	\$'000	\$'000
Profit from continuing operations before income tax expense	3,346	2,348
(Loss)/profit from discontinued operations before income tax expense	(265)	920
Profit before income tax	3,081	3,268
Tax at the Australian tax rate of 30.0% (2014 - 30.0%)	924	980
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenditure	94	125
Share of profits of jointly controlled entities	(2,385)	(1,563)
Impairment	137	(57)
Sundry items	89	(29)
	(1,141)	(544)
Deferred tax assets not recognised *	1,141	358
Adjustments for tax of prior periods	132	-
Total income tax expense/(benefit) **	132	(186)

* Relates to deferred tax assets in relation to Pinnacle Investment Management Limited and Wilson Group Limited which have not been recognised on the basis that it is not considered probable that the tax losses giving rise to the deferred tax assets will be recovered.

** Includes \$nil (31 December 2014 - \$387,000) of income tax expense recognised in (loss)/profit from discontinued operations.

6 Dividends

	Half Year	
	31 December 2015	31 December 2014
	\$'000	\$'000
(a) Ordinary shares		
Special dividend of 2.25 cents per fully paid share paid on 18 September 2015		
Fully franked based on tax paid @ 30.0%	2,487	-
Final dividend for the year ended 30 June 2014 of 2.75 cents per fully paid share paid on 18 September 2014		
Fully franked based on tax paid @ 30.0%	-	2,848
(b) Dividends not recognised at the end of the half year		
Since period end the Directors have recommended the payment of an interim dividend of 1.4 cents per fully paid ordinary share (31 December 2014 - 1.6 cents), fully franked based on tax paid at 30%. The aggregate amount of the dividend expected to be paid on 31 March 2016, but not recognised as a liability at half year end, is:	1,547	1,657

7 Earnings per share

(a) Basic earnings per share

	Half Year	
	31 December	31 December
	2015	2014
	Cents	Cents
Attributable to the ordinary equity holders of the company:		
From continuing operations	1.8	2.0
From total operations	1.6	2.5

(b) Diluted earnings per share

	Half Year	
	31 December	31 December
	2015	2014
	Cents	Cents
Attributable to the ordinary equity holders of the company:		
From continuing operations	1.8	1.9
From total operations	1.6	2.4

(c) Reconciliation of earnings used in calculating earnings per share

	Half Year	
	31 December	31 December
	2015	2014
	\$'000	\$'000
<i>Basic and diluted earnings per share</i>		
Profit/(loss) attributable to the ordinary equity holders of the Company used in calculating basic and diluted earnings per share:		
From continuing operations	2,029	2,055
From discontinued operations	(265)	532
Profit attributable to the ordinary equity holders of the Company	<u>1,764</u>	<u>2,587</u>

(d) Weighted average number of shares used as denominator

	Half Year	
	31 December	31 December
	2015	2014
	Number	Number
<i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i>	110,531,752	103,087,071
Adjustments for calculation of diluted earnings per share:		
Weighted average options	239,985	4,037,208
<i>Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share</i>	<u>110,771,737</u>	<u>107,124,279</u>

(e) Information concerning the classification of securities

Options granted to employees under employee share schemes are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.

8 Current assets - Cash and cash equivalents

	31 December 2015 \$'000	30 June 2015 \$'000
Available cash at bank and on hand	12,791	13,556
Other committed cash at bank and on hand	222	14
	13,013	13,570

9 Borrowings and Financing Facilities

(a) Corporate loan facilities

The Group has a bank guarantee facility which is secured by a fixed and floating charge over the assets and undertakings of the Group (excluding entities within the Pinnacle Investment Management Limited and Next Financial Limited groups). These facilities expire on the 30 June 2016:

	Limit of facility 31 December 2015 \$'000	30 June 2015 \$'000
Intraday settlement facility (amount used at balance date - \$ Nil) *	-	7,500
Bank overdraft (amount used at balance date - \$ Nil) *	-	2,500
Bank guarantee (amount used at balance date \$5,050,000)	5,050	10,000

* On 1 July 2015 the facility was amended as a result of the sale of the Wilson HTM Securities business (refer note 13). The intraday settlement facility and overdraft facility were removed and the bank guarantee facility reduced from \$10,000,000 to \$5,050,000.

The bank guarantee facility is supported by a negative pledge that states that (subject to certain exceptions) the Group will not provide any security over its assets and that the Group's consolidated Net Tangible Assets must not be less than \$30 million.

Ongoing compliance with these covenants is reviewed on a regular basis and compliance has been maintained during the period.

(b) Bank funding facilities for loans to clients of Next Financial Limited

Next Financial Limited previously utilised funding lines provided by Westpac for loans to clients through its geared investment product. These loans were secured by equitable charges over securities and cash which Next Financial Limited held as trustee for clients.

The facility was a five year term funding agreement provided on a limited recourse basis and secured by the securities (listed equities, cash and derivatives) held in custody. The facility carried specific undertakings in relation to maintaining net equity values, minimum financial solvency ratios and maintain prescribed collateral, gearing and derivative margin exposure limits.

At 30 June 2015 all funding lines with Westpac had been repaid. The facility was not utilised during the period ended 31 December 2015 and has now been closed.

10 Commitments

As a result of the sale of the Wilson HTM Securities business on 1 July 2015 (refer note 13) the Group's lease commitments and other expenditure commitments have reduced. The lease commitments and other expenditure commitments of the Group as at 31 December 2015 are as follows:

(a) Lease commitments – group as lessee

	31 December 2015 \$'000	30 June 2015 \$'000
Commitments in relation to leases contracted for at reporting date but not recognised as liabilities are payable as follows:		
Within one year	127	1,717
Later than one year but not later than five years	205	3,618
	<u>332</u>	<u>5,335</u>
Non-cancellable operating leases	332	5,335

(b) Other expenditure commitments

	31 December 2015 \$'000	30 June 2015 \$'000
Commitments contracted for at reporting date but not recognised as liabilities are payable as follows:		
Within one year	242	1,381
Later than one year but not later than five years	204	354
	<u>446</u>	<u>1,735</u>

11 Contingencies

(a) Contingent liabilities

The Group had contingent liabilities at 31 December 2015 in respect of:

Guarantees

The Group has provided guarantees in respect of Australian Financial Services License Net Tangible Asset obligations (via bank guarantee) in respect of:

- (i) Pinnacle Funds Services Limited - \$5,000,000 (30 June 2015: \$5,000,000).
- (ii) Pinnacle RE Services Limited - \$50,000 (30 June 2015 - \$50,000)

The bank guarantee facility was amended on 1 July 2015 as a result of the sale of the Wilson HTM Securities business and the facility limit was reduced to \$5,050,000 (refer note 9). The unused bank guarantee facility available at balance date was \$nil (30 June 2015 - \$2,231,000).

These guarantees may give rise to liabilities in the Group if the related entities do not meet their obligations that are subject to the guarantees.

No material losses are anticipated in respect of any of the above contingent liabilities.

Disposal of Securities Business

The group has contingent liabilities in respect to its historical ownership of the Wilson HTM Securities business prior to its disposal on 1 July 2015 (refer note 13).

12 Related party transactions

The following significant related party transactions occurred during the current or prior comparative period:

Issue of Options - Alexander Grant

Approval was given at the Company's annual general meeting held on 26 November 2014 for 1,200,000 options to be issued to the Group's Managing Director, Mr Alexander Grant. These options were granted in November 2014.

The options were granted for no consideration and vest based on fulfilment of specified service conditions. The grant was made in two tranches of 600,000 options vesting on 27 February 2015 and 27 February 2016 respectively. Vested options are exercisable for a period of 18 weeks after vesting, at a price of \$0.595 per option. The options that vested on 27 February 2015 have been exercised.

Issue of options – Pinnacle KMP

On 1 July 2015, the Company issued 4,250,000 options in the Company to senior executives of its subsidiary Pinnacle Investment Management Limited. This included the issue of 750,000 options to Ian Macoun, and 425,000 options to Alex Ihlenfeldt, who are both key management personnel of the consolidated entity.

The options were issued under the Wilson Group Employee Option Share Plan at an exercise price of 98.6 cents per share. They were granted for no consideration and vest based on fulfilment of specified service conditions. The options vest in two equal tranches (375,000 options per tranche for Mr Macoun, 212,500 options per tranche for Mr Ihlenfeldt) on 30 June 2018 and 30 June 2020 respectively, with a six month exercise period post vesting. The options are subject to claw-back arrangements and bad leaver provisions. Any options that remain unexercised at the end of the exercise period will lapse.

Steven Wilson AM

In February 2014 a director of the Group, Steven Wilson AM entered into an agreement with Wilson HTM Ltd, which was then a subsidiary of the Company, to provide investment management services. This agreement is on the same terms and conditions as other Wilson HTM Ltd advisors. Wilson HTM Ltd was sold on 1 July 2015 and is no longer a subsidiary of the Company. For the period ended 31 December 2014 \$16,592 was paid to Mr Wilson under this agreement.

Chum Darvall AM

A director of the Company until 31 August 2015, Chum Darvall AM was appointed in February 2014 as a member of the Palisade Investment Partners Advisory Board, which is associated with a jointly controlled entity. For the period during which he was a director of the Company Mr Darvall received fees of \$10,000 from the entity (31 December 2014 - \$30,000).

Managed funds managed by subsidiaries

Subsidiary companies earned management fees amounting to \$430,000 (31 December 2014 - \$465,000) in relation to managed funds managed by subsidiaries.

The Group may also hold an investment in the funds, the value of which is included in financial assets at fair value through profit or loss. The gains and losses related to these investments are included in fair value gains and losses on financial assets held at fair value through profit or loss.

12 Related party transactions (continued)

Transactions with Deutsche Bank AG

The following transactions occurred with Deutsche Bank AG during the current or prior corresponding period:

	Half Year	
	31 December 2015	31 December 2014
	\$	\$
Corporate finance fees received from Deutsche Bank AG	-	717,050
	-	717,050

All transactions were made on normal commercial terms and conditions and at market rates.

Deutsche Bank AG is a substantial shareholder of the Company through Deutsche Australia Limited which holds 18.55% of the Company's shares (31 December 2014 - 19.80%).

Deutsche Bank AG participated in the purchase of the Wilson HTM Securities business from Wilson Group Limited on 1 July 2015 (refer note 13). Prior to the sale of the Securities business, in accordance with its obligations under the shareholder agreement with the Company, Deutsche Bank AG provided its Australian equities research product to the Company for use as the basis for the preparation of publications or briefing notes for distribution solely to the Securities business' Private Wealth Management clients under the Wilson HTM brand.

Steven Skala is a non-executive director of the Company and is a director of Deutsche Australia Limited and Vice Chairman Australia and New Zealand of Deutsche Bank AG. Chum Darvall was a non-executive director of the Company until 31 August 2015 and was a Vice Chairman Australia and New Zealand of Deutsche Bank AG until 1 July 2014.

13 Disposal of Subsidiaries

(a) Description

On 1 July 2015 the Company completed the sale of its Wilson HTM Securities business to Craigs Investment Partners, Deutsche Australia Limited and staff representatives of the Securities business, following approval by shareholders at an extraordinary general meeting on 26 June 2015.

Under the terms of the sale agreement the Company:

- transferred its shareholdings in the subsidiaries comprising its Securities business to the purchasers;
- received cash consideration of \$4,000,000, and provided vendor finance with a fair value of \$868,000;
- may receive a future profit share for the first two years post completion of 50% of the profit before tax of the Securities business exceeding \$3,000,000, but capped at \$1,000,000 each year;
- may receive additional value for deferred tax assets if the amount utilised by the Securities business exceeds \$350,000 during the first three years post completion;
- has contingent liabilities relating to its historical ownership of the business which will run off over time;
- committed to pay certain staff related costs, and run-off insurances.

Following completion of the transaction, the Company and the purchasers agreed to provide various services to each other to ensure a smooth transition of the ownership of business.

Further detail of the transaction was provided in the notice of meeting provided for the extraordinary general meeting.

13 Disposal of Subsidiaries (continued)

(b) Financial performance of subsidiaries prior to disposal

The profit/(loss) for the current and prior corresponding period related to the discontinued operations is outlined below:

	31 December 2015 \$'000	31 December 2014 \$'000
Revenue	-	26,856
Fair value losses on financial assets at fair value through profit or loss	-	(102)
Expenses	<u>(254)</u>	<u>(25,835)</u>
(Loss) / profit before income tax from operating activities	(254)	920
(Loss) on disposal of discontinued operation	<u>(11)</u>	<u>-</u>
(Loss) / profit before tax from discontinued operations	(265)	920
Income tax expense	-	(387)
(Loss) / profit from discontinued operation attributable to owners of Wilson Group Limited	<u>(265)</u>	<u>532</u>

The cash-flows of the current and prior corresponding period are provided below:

Net cash (outflow) from operating activities	-	(28)
Net cash inflow from investing activities	4,000	11
Net cash inflow from financing activities	-	3,282
Net cash inflow for the half-year	<u>4,000</u>	<u>3,265</u>

(c) Carrying amounts of assets and liabilities

The carrying amounts of assets and liabilities as at the date of disposal (1 July 2015) were:

	1 July 2015 \$'000
Current Assets	
Cash	10,246
Trade and other receivables	2,987
Other current assets	1,634
Non-Current Assets	
Deferred Tax Assets	<u>2,715</u>
Total Assets	<u>17,582</u>
Current Liabilities	
Trade and other payables	(5,299)
Provisions	(3,563)
Other current liabilities	(104)
Non-Current Liabilities	
Provisions	(605)
Other non-current liabilities	<u>(1,868)</u>
Total Liabilities	<u>11,439</u>
Net assets	<u>6,143</u>

13 Disposal of Subsidiaries (continued)

(d) Details of the disposal

	\$'000
Consideration received / receivable in cash and cash equivalents	5,264
Other consideration receivable	868
Disposal consideration	6,132
Carrying value of net assets disposed of	(6,143)
Loss on disposal	(11)

The agreement for the disposal included items of contingent consideration relating to a profit-share over the first two years post disposal, and utilisation of deferred tax assets in the first 3 years following disposal (refer Note 13(a) above). At 31 December 2015 the fair value of these items has been assessed at \$nil.

14 Fair value measurement of financial instruments

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

(a) Fair value hierarchy

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2015 and 30 June 2015 on a recurring basis:

31 December 2015	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Financial assets at fair value through profit or loss:				
Unlisted managed funds	7,966	-	-	7,966
Other securities	287	-	364	651
Total assets	8,253	-	364	8,617
Liabilities				
Total liabilities	-	-	-	-
 30 June 2015				
Assets				
Financial assets at fair value through profit or loss:				
Trading derivatives	89	-	-	89
Unlisted managed funds	5,837	-	-	5,837
Other securities	-	-	358	358
Total assets	5,926	-	358	6,284
Liabilities				
Total liabilities	-	-	-	-

The Group did not measure any financial assets or liabilities at fair value on a non-recurring basis as at 31 December 2015.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

14 Fair value measurement of financial instruments (continued)

(b) Valuation techniques used to determine fair values

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3.

The carrying amounts of cash and cash equivalents, trade receivables and payables, loans to entities under joint control and loans to shareholders are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant.

(c) Fair value measurements using significant unobservable inputs (level 3)

Level 3 items are unlisted equity securities held by the Group. The following table presents the changes in level 3 instruments for the half year ended 31 December 2015:

	Unlisted equity securities \$'000
Opening balance 30 June 2015	358
Unrealised gains recognised in fair value gains / (losses) on financial assets at fair value through profit and loss	6
Closing balance 31 December 2015	364

(i) Valuation process

Other Securities valued under Level 3 are investments in unlisted companies. Where possible, the investments are valued based on the price per security of the most recent transaction involving the securities of the individual company. Where there is no recent information or the information is otherwise unavailable, the value is derived from calculations based on the value per security of the underlying net tangible assets of the investee company.

15 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year-end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

In the opinion of the Directors' of Wilson Group Limited (the Company):

- (a) the Interim financial report and notes set out on pages 5 to 21 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Mr A Watson
Chairman
Sydney
25 February 2016



Independent auditor's review report to the members of Wilson Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Wilson Group Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Wilson Group Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Wilson Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Wilson Group Limited is not in accordance with the *Corporations Act 2001* including:

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- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Michael O'Donnell

Michael O'Donnell
Partner

Brisbane
25 February 2016