13 December 2016

Begbies Traynor Group

Begbies Traynor Group plc

Half year results
for the six months ended 31 October 2016

Begbies Traynor Group plc (the 'company' or the 'group'), the business recovery and property services consultancy, today announces its half year results for the six months ended 31 October 2016.

Financial highlights

	2016 £m	2015 £m
Revenue	24.5	25.5
Adjusted profit before tax*	2.5	2.5
Profit before tax	0.5	0.6
Adjusted basic EPS** (p)	1.8	1.8
Basic EPS (p)	0.2	0.4
Interim dividend (p)	0.6	0.6
Net debt (£m)	12.2	11.9

** Profit before tax of £0.5m (2015: £0.6m) plus amortisation of £1.3m (2015: £1.4m) plus acquisition-related costs of £0.7m (2015: £0.5m)*
*** See reconciliation in note 5*

Operational highlights

- Solid financial performance with results in line with expectations
- Results reflect benefit of diversification into property services in December 2014
- Insolvency and restructuring: strong margins and cash generative, in spite of continued challenging market conditions which have reduced activity levels in the period
- Property services: strong revenue and profit growth with two recent acquisitions now fully integrated and performing in line with expectations
- New bank facilities agreed to 2021, at a lower cost than previous facilities, providing financial strength to execute our strategy
- Interim dividend maintained at 0.6p

Commenting on the results, Ric Traynor, Executive Chairman of Begbies Traynor Group, said:

"The Group has delivered another solid financial performance in the period, with results in line with expectations.

"This performance reflects the benefit of our diversification into property services, which we anticipate will contribute 30% of the group's revenue and profit for the full financial year. This strategic development has broadened our income streams, so that we are now operating as two complementary operating divisions, each with good market positions and high levels of profitability.

"For the year as a whole, we anticipate growth in earnings, in line with expectations, with the benefits of our investment in property services complementing our market-leading, profitable and cash generative insolvency business. We will continue to look for opportunities to develop and enhance the group, both organically and through selective acquisitions. We will provide an update on third quarter trading in early March 2017."

A meeting for analysts will be held today at 8.45 for 9.00am at the offices of MHP Communications, 6 Agar Street, London WC2N 4HN. Please contact Rossina Garcia Izaguirre on 020 3128 8788 or via r.garciaizaguirre@mhpc.com if you would like to attend.

Enquiries please contact:

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Information on Begbies Traynor Group can be accessed via the Group's website at
www.begbies-traynorgroup.com

CHAIRMAN'S STATEMENT

INTRODUCTION

I am pleased to report a solid financial performance in the period with results in line with expectations.

This performance reflects the benefit of our diversification into property services in December 2014. Following the investment we have made in this service line over the last two years, we now anticipate that it will contribute 30% of the group's revenue and profit for this financial year. This strategic development has broadened our income streams as a group, which is now operating as two complementary operating divisions, each with good market positions and high levels of profitability.

The insolvency business continues to deliver strong operating margins and be cash generative, in spite of the challenging market conditions we have experienced over recent years: this allows us to invest in developing the wider group, whilst also retaining a strong position from which to benefit from any improvement in the market in the future. The property services business, including our two most recent acquisitions, continues to perform well and in line with our expectations.

In November 2016, we announced the refinancing of our debt facilities, provided solely by HSBC. The new facilities, which provide the group with committed funds through to 2021, are at a lower cost to our previous facilities and provide us with the financial strength and flexibility to execute our strategy.

Having considered the group's first half performance together with current market conditions and expectations for the remainder of the financial year, the board has maintained the interim dividend at 0.6p.

RESULTS

The group's revenue in the half year to 31 October 2016 was £24.5m (2015: £25.5m). Adjusted profit before tax* was £2.5m (2015: £2.5m). Profit before tax was £0.5m (2015: £0.6m). Profit for the period was £0.2m (2015: £0.4m).

Basic adjusted** earnings per share ('EPS') was 1.8p (2015: 1.8p). Diluted adjusted** EPS was 1.7p (2015: 1.8p). Basic and diluted EPS were 0.2p (2015: 0.4p).

Net debt at 31 October 2016 was £12.2m (30 April 2016: £10.4m; 31 October 2015: £11.9m), having invested £2.2m in the period in acquisitions. These borrowings are comfortably within the group's bank facilities, with gearing of 21% (30 April 2016: 17%; 31 October 2015: 20%) and interest cover of 6 times.

** Profit before tax of £0.5m (2015: £0.6m) plus amortisation of £1.3m (2015: £1.4m) plus acquisition-related costs of £0.7m (2014: £0.5m)*
*** Adjusted for the net of tax impact of the amortisation of intangible assets arising on acquisitions and acquisition-related costs. See reconciliation in note 5.*

DIVIDEND

The board remains committed to a long-term progressive dividend policy, and to increase dividends when more confident of both the market outlook and potential for sustained earnings growth. Recent dividend decisions have reflected the level of profits resulting from market conditions, and the continuing investment in the development of the group, where we are encouraged by progress.

Having considered financial performance in the current year to date, the outlook for the remainder of the financial year and the on-going requirements of the business, the board is pleased to be able to maintain the dividend at recent levels and declare an interim dividend of 0.6p (2015: 0.6p).

The interim dividend will be paid on 5 May 2017 to shareholders on the register as at 7 April 2017, with an ex-dividend date of 6 April 2017.

OUTLOOK

Following a solid financial performance in the first half of the financial year, our outlook for the year as a whole remains unchanged.

Having experienced a period of subdued insolvency trading in the first half, we expect a stronger second half performance. This expectation reflects anticipated improved activity levels and the completion of a number of contingent fee engagements that are currently being undertaken. We expect profits for the year as a whole to be broadly maintained, with the benefit of a lower cost base mitigating a reduction in revenue.

In property services, performance in the first half benefitted from the seasonality of the auctions business and one-off consultancy fees. We therefore expect our profits for the full year to be weighted to the first half. The division is expected to report growth in revenue and profits for the year as a whole.

Overall, we anticipate a year on year increase in earnings, in line with expectations, with the benefits of our investment in property services complementing our market-leading, profitable and cash-generative insolvency business.

We will continue to look for opportunities to develop and enhance the group, both organically and through selective acquisitions. We will provide an update on third quarter trading in early March 2017.

Ric Traynor
Executive Chairman
13 December 2016

BUSINESS REVIEW

Begbies Traynor Group is a business recovery and property services consultancy, providing services nationally from a comprehensive network of UK locations, through two complementary operating divisions: Begbies Traynor and Eddisons.

Begbies Traynor is the UK's leading independent business recovery practice handling the largest number of corporate appointments, principally serving the mid-market and smaller companies. We provide insolvency, restructuring and consultancy services to businesses, their professional advisors and financial institutions.

Eddisons is a national firm of chartered surveyors, offering transactional and advisory services to owners and occupiers of commercial property, investors and financial institutions. The services offered include valuation and sale of property, machinery and other business assets (including fixed charge property receiverships); insolvency insurance brokerage; property management; and building consultancy services.

OPERATIONAL REVIEW

Insolvency and restructuring – Begbies Traynor

Insolvency market

The number of corporate insolvencies (Source: The Insolvency Service) for the year ended 30 September 2016 was 14,464 (2015: 15,035), a decrease of 4%. The market appears to have stabilised at this lower level with 7,154 appointments in the six months to 30 September 2016, which is broadly in line with the comparative period in 2015 (7,176).

There are no expectations of an increase in insolvency levels in the near term, notwithstanding the current uncertainty around the Brexit negotiations and the inflationary impact on the financial performance of importers due to the recent falls in the value of sterling.

Results

Revenue in the period decreased to £17.4m (2015: £19.4m) with segmental profits* of £3.2m (2015: £4.3m). This performance reflects the ongoing impact of market pressures on both volumes and fees, combined with a very quiet summer period. The business continues to generate strong operating margins and be cash generative.

We expect a stronger second half performance, which reflects anticipated improved activity levels from those seen over the summer and the completion of a number of contingent fee engagements that are currently being undertaken.

We have continued to manage our cost base in response to activity levels, with operating costs in the period reduced by £0.8m to £14.2m, which has partially mitigated the revenue reduction. The number of people employed in the division has decreased to 328 as at 31 October 2016 from 355 at the start of the financial year.

We have maintained our market share and remain the leading corporate appointment taker by volume.

** see note 2*

Property services - Eddisons

Revenue in the period increased to £7.1m (2015: £6.1m) with segmental profits* of £2.0m (2015: £1.2m), reflecting good progress in developing our property services consultancy during the period. Revenue and profit from current and prior year acquisitions has been partially offset by reduced levels of insolvency-related activity in property services and the prior year exit from low margin contracts. The number of people employed in the division has increased to 164 as at 31 October 2016 from 150 at the start of the financial year.

The Pugh & Co property auctions business, which was acquired in June 2016, has been fully integrated with our existing Eddisons auctions business in the period and has performed well and in line with expectations. The business is now the largest firm of commercial property auctioneers (by number of lots) outside London. The seasonal profile of the auctions business results in four auctions being held in the first half, compared to three in the second half, with a proportionate revenue and profit profile for the business.

The valuations practice, including the Taylors acquisition which completed in November 2015, has performed in line with expectations. The team provide a full range of property valuations and recovery advice to all the major banks on a national basis.

The Eddisons insolvency teams are working alongside Begbies Traynor teams on a number of engagements, leading to value being retained in the group on our insolvency appointments.

The business also benefitted from one-off consultancy fee income in the period following the conclusion of an advisory contract.

** see note 2*

FINANCE REVIEW

	2016 £m	2015 £m
Continuing operations:		
Revenue	**24.5**	25.5
EBITA (pre acquisition-related costs)	**3.0**	3.0
Finance costs	**(0.5)**	(0.5)
Adjusted profit before tax	**2.5**	2.5
Acquisition-related costs	**(0.7)**	(0.5)
Amortisation of intangible assets arising on acquisitions	**(1.3)**	(1.4)
Profit before tax	**0.5**	0.6
Tax	**(0.3)**	(0.2)
Profit for the period	**0.2**	0.4

Revenue

Revenue in the period was £24.5m (2015: £25.5m). Revenue from property services increased by £1.0m, which was offset by a reduction of £2.0m in the insolvency division. Revenue generated from acquisitions in the period was £1.0m.

EBITA (pre acquisition-related costs)

Operating costs reduced to £21.5m (2015: £22.5m). The impact of costs in the period relating to acquired businesses is £0.5m, which was offset by cost savings of £1.5m as a result of the on-going management of the cost base.

EBITA was maintained at £3.0m (2015: £3.0m) with operating margins having increased to 12.1% (2015: 11.8%).

Finance costs

Finance costs were £0.5m (2015: £0.5m).

Acquisition-related costs

Acquisition-related costs in the period comprise:

- deemed remuneration charges of £0.6m (2015: £0.4m), which represents consideration paid for acquisitions where selling shareholders have post-acquisition service obligations to the group; and
- acquisition costs of £0.1m (2015: £0.1m).

Amortisation

Amortisation of intangible assets arising on acquisitions was £1.3m (2015: £1.4m).

Tax

The tax charge for the period was £0.3m (2015: £0.2m), based on the expected tax rate for the full year.

Earnings per share ('EPS')

Basic adjusted* earnings per share ('EPS') was 1.8p (2015: 1.8p). Diluted adjusted* EPS was 1.7p (2015: 1.8p). Basic and diluted EPS were 0.2p (2015: 0.4p).

** Adjusted for the net of tax impact of the amortisation of intangible assets arising on acquisitions and acquisition-related costs. See reconciliation in note 5.*

Acquisitions

On 2 June 2016, the group acquired the entire issued share capital of Pugh Auction Group Limited ("Pugh & Co"), for a net investment of £1.6m, representing initial cash consideration of £2.0 million less cash acquired of £0.4m.

Under the terms of the acquisition, additional contingent consideration of up to £2.625 million will become payable subject to the achievement of stretching financial targets for the consolidated auctions business (representing the original Eddisons auctions business combined with Pugh & Co) in the five-year period directly following completion, calculated according to an agreed formula.

Up to £0.25 million of the contingent consideration is payable based on meeting financial targets in the first year post acquisition and may be satisfied through either the issuing of new ordinary shares at the prevailing market value or cash at the group's discretion. The remainder of the contingent consideration is payable in cash over the five-year period post acquisition.

The consideration payable for this acquisition requires post-acquisition service obligations to be performed by the selling shareholder. These amounts are treated as deemed remuneration and will be charged to the consolidated statement of comprehensive income over the period of the obligation.

Cash flows

Net cash flows from operating activities (after interest and tax) in the period were £1.1m (2015: £2.3m). This cash flow is stated after £0.4m (2015: £0.9m) of payments relating to provisions made in prior periods.

Investing cash outflows of £2.2m (2015: £0.7m) include acquisition payments of £1.6m (2015: £0.4m), deferred consideration payments of £0.5m (2015: £0.1m) and capital expenditure of £0.1m (2015: £0.2m).

Financing cash outflows of £1.6m (2015: £4.6m) comprise a repayment under the group's revolving credit facility of £1.0m (2015: £4.0m) and dividend payments of £0.6m (2015: £0.6m).

Financing

On 1 November 2016, we renewed our debt facilities, in line with our previously stated intention to renew them during the current financial year.

The new £30 million facilities are being provided by HSBC solely and replace the group's previous £30 million facilities. These were due to mature between July 2017 and April 2021 and were provided by three lenders (including HSBC). All bank covenants in relation to these facilities were met during the year.

The new facilities are unsecured, mature on 31 August 2021 and comprise a £25 million committed revolving credit facility and a £5 million uncommitted acquisition facility. These facilities are at a lower overall cost to the previous facilities.

The arrangement costs associated with this refinancing will be recognised over the expected life of the facilities in accordance with IFRS. There will be one-off costs charged in the current year in connection with the refinancing for early settlement charges of £0.2m with the full benefit of the reduced finance costs being realised in future years.

The group is in a strong financial position, with net borrowings at 31 October 2016 of £12.2m (30 April 2016: £10.4m; 31 October 2015: £11.9m), gearing of 21% (2015: 20%) and significant headroom within our new facilities.

Net assets

At 31 October 2016 net assets were £57.7m (2015: £59.1m) and are analysed as follows:

	31 Oct 2016 £m	30 Apr 2016 £m	31 Oct 2015 £m
Non-current assets	61.2	60.4	60.0
Current assets	34.9	35.2	34.9
Net borrowings	(12.2)	(10.4)	(11.9)
Current tax	(1.0)	(1.3)	0.2
Other liabilities	(25.2)	(24.2)	(24.1)
Net assets	**57.7**	**59.7**	**59.1**

Ric Traynor
Executive Chairman
13 December 2016

Nick Taylor
Group Finance Director
13 December 2016

Statement of comprehensive income

	Note	**Six months ended 31 October 2016 (unaudited) £'000**	Six months ended 31 October 2015 (unaudited) £'000	Year ended 30 April 2016 (audited) £'000
Revenue		**24,454**	25,476	50,135
Direct costs		**(13,739)**	(13,802)	(28,058)
Gross profit		**10,715**	11,674	22,077
Other operating income		**186**	74	249
Administrative expenses		**(7,932)**	(8,732)	(16,838)
Earnings before interest, tax and amortisation prior to acquisition-related costs		**2,969**	3,016	5,488
Acquisition-related costs	4	**(692)**	(500)	(1,080)
Earnings before interest, tax and amortisation		**2,277**	2,516	4,408
Amortisation of intangible assets arising on acquisitions		**(1,291)**	(1,348)	(2,827)
Finance costs	3	**(499)**	(532)	(1,023)
Profit before tax		**487**	636	558
Tax		**(263)**	(230)	(264)
Profit for the period		**224**	406	294
Other comprehensive income				
Exchange differences on translation of foreign operations		**—**	—	3
Total comprehensive income for the period		**224**	406	297
Earnings per share				
Basic and diluted	5	**0.2p**	0.4p	0.3p

All of the profit and comprehensive income for the period is attributable to equity holders of the parent

Consolidated statement of changes in equity

For the six months ended 31 October 2016 (unaudited)	Share capital £'000	Share premium £'000	Merger reserve £'000	Translation reserve £'000	Retained earnings £'000	**Total equity £'000**
At 1 May 2016	5,611	23,042	17,584	(2)	13,446	**59,681**
Profit for the period	—	—	—	—	224	**224**
Other comprehensive income:						
Exchange differences on translation of foreign operations	—	—	—	—	—	**—**
Total comprehensive income for the period	—	—	—	—	224	**224**
Dividends	—	—	—	—	(2,335)	**(2,335)**
Credit to equity for equity-settled share-based payments	—	—	—	—	125	**125**
Shares issued	1	11	—	—	—	**12**
At 31 October 2016	**5,612**	**23,053**	**17,584**	**(2)**	**11,460**	**57,707**

For the six months ended 31 October 2015 (unaudited)	Share capital £'000	Share premium £'000	Merger reserve £'000	Translation reserve £'000	Retained earnings £'000	**Total equity £'000**
At 1 May 2015	5,536	22,473	17,584	(5)	15,392	**60,980**
Profit for the period	—	—	—	—	406	**406**
Other comprehensive income:						
Exchange differences on translation of foreign operations	—	—	—	(1)	—	**(1)**
Total comprehensive income for the period	—	—	—	(1)	406	**405**
Dividends	—	—	—	—	(2,302)	**(2,302)**
Credit to equity for equity-settled share-based payments	—	—	—	—	31	**31**
Shares issued	3	17	—	—	—	**20**
At 31 October 2015	**5,539**	**22,490**	**17,584**	**(6)**	**13,527**	**59,134**

For the year ended 30 April 2016 (audited)	Share capital £'000	Share premium £'000	Merger reserve £'000	Translation reserve £'000	Retained earnings £'000	**Total equity £'000**
At 1 May 2015	5,536	22,473	17,584	(5)	15,392	**60,980**
Profit for the year	—	—	—	—	294	**294**
Other comprehensive income:						
Exchange differences on translation of foreign operations	—	—	—	3	—	**3**
Total comprehensive income for the year	—	—	—	3	294	**297**
Dividends	—	—	—	—	(2,302)	**(2,302)**
Credit to equity for equity-settled share-based payments	—	—	—	—	62	**62**
Shares issued	75	569	—	—	—	**644**
At 30 April 2016	**5,611**	**23,042**	**17,584**	**(2)**	**13,446**	**59,681**

The merger reserve arose on the formation of the group in 2004.

Consolidated balance sheet

	31 October 2016 (unaudited)	31 October 2015 (unaudited)	30 April 2016 (audited)
	£'000	£'000	£'000
Non-current assets			
Intangible assets	**59,523**	57,713	58,407
Property, plant and equipment	**1,677**	2,313	1,979
	61,200	60,026	60,386
Current assets			
Trade and other receivables	**34,923**	34,862	35,151
Current tax receivable	**—**	238	—
Cash and cash equivalents	**4,823**	6,119	7,634
	39,746	41,219	42,785
Total assets	**100,946**	101,245	103,171
Current liabilities			
Trade and other payables	**(15,704)**	(14,695)	(14,903)
Current tax liabilities	**(997)**	—	(1,263)
Borrowings	**(7,000)**	—	—
Provisions	**(614)**	(1,069)	(728)
	(24,315)	(15,764)	(16,894)
Net current assets	**15,431**	25,455	25,891
Non-current liabilities			
Trade and other payables	**(1,367)**	(1,388)	(1,501)
Borrowings	**(10,000)**	(18,000)	(18,000)
Provisions	**(711)**	(338)	(994)
Deferred tax	**(6,846)**	(6,621)	(6,101)
	(18,924)	(26,347)	(26,596)
Total liabilities	**(43,239)**	(42,111)	(43,490)
Net assets	**57,707**	59,134	59,681
Equity			
Share capital	**5,612**	5,539	5,611
Share premium	**23,053**	22,490	23,042
Merger reserve	**17,584**	17,584	17,584
Translation reserve	**(2)**	(6)	(2)
Retained earnings	**11,460**	13,527	13,446
Equity attributable to owners of the company	**57,707**	59,134	59,681

Consolidated cash flow statement

	Note	**Six months ended 31 October 2016 (unaudited)**	Six months ended 31 October 2015 (unaudited)	Year ended 30 April 2016 (audited)
		£’000	£’000	£’000
Cash flows from operating activities				
Cash generated by operations	7	**2,190**	3,159	7,909
Income taxes paid		**(701)**	(415)	(139)
Interest paid		**(429)**	(489)	(996)
Net cash from operating activities		**1,060**	2,255	6,774
Investing activities				
Purchase of property, plant and equipment		**(72)**	(235)	(511)
Purchase of intangible fixed assets		**(8)**	(13)	(13)
Proceeds on disposal of fixed assets		**—**	—	10
Deferred consideration payments in the period		**(539)**	(83)	(639)
Acquisition of businesses		**(1,627)**	(407)	(937)
Net cash from investing activities		**(2,246)**	(738)	(2,090)
Financing activities				
Dividends paid		**(637)**	(627)	(2,302)
Proceeds on issue of shares		**12**	20	43
Repayment of loans		**(1,000)**	(4,000)	(4,000)
Net cash from financing activities		**(1,625)**	(4,607)	(6,259)
Net decrease in cash and cash equivalents		**(2,811)**	(3,090)	(1,575)
Cash and cash equivalents at beginning of period		**7,634**	9,209	9,209
Cash and cash equivalents at end of period		**4,823**	6,119	7,634

1. Basis of preparation and accounting policies

(a) Basis of preparation

The half year condensed consolidated financial statements do not include all of the information and disclosures required for full annual financial statements and should be read in conjunction with the group's annual financial statements as at 30 April 2016, which have been prepared in accordance with IFRSs as adopted by the European Union.

This condensed consolidated half year financial information does not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006. Statutory accounts for the year ended 30 April 2016 were approved by the board of directors on 12 July 2016 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

The directors have reviewed the financial resources available to the group and have concluded that the group is a going concern. This conclusion is based upon, amongst other matters, a review of the group's financial projections for a period of twelve months following the date of this announcement, together with a review of the cash and committed borrowing facilities available to the group. Accordingly, the going concern basis has been used in preparing these half year condensed consolidated financial statements.

The condensed consolidated financial statements for the six months ended 31 October 2016 have not been audited nor subject to an interim review by the auditors. IAS 34 'Interim financial reporting' is not applicable to these half year condensed consolidated financial statements and has therefore not been applied.

(b) Significant accounting policies

The accounting policies adopted in preparation of the half year condensed consolidated financial statements are consistent with those followed in the preparation of the group's annual financial statements for the year ended 30 April 2016.

2. Segmental analysis by class of business

	Six months ended 31 October 2016 (unaudited)	Six months ended 31 October 2015 (unaudited)	Year ended 30 April 2016 (audited)
	£'000	£'000	£'000
Revenue			
Insolvency and restructuring	**17,360**	19,368	37,723
Property	**7,094**	6,108	12,412
	24,454	25,476	50,135
EBITA (before acquisition-related costs)			
Insolvency and restructuring	**3,150**	4,336	7,478
Property	**2,006**	1,161	2,410
Shared and central costs	**(2,187)**	(2,481)	(4,400)
	2,969	3,016	5,488

3. Finance costs

	Six months ended 31 October 2016 (unaudited)	Six months ended 31 October 2015 (unaudited)	Year ended 30 April 2016 (audited)
	£'000	£'000	£'000
Interest payable	**473**	510	981
Unwinding of discount on deferred consideration liabilities	**26**	22	42
	499	532	1,023

4. Acquisition-related costs

	Six months ended 31 October 2016 (unaudited)	Six months ended 31 October 2015 (unaudited)	Year ended 30 April 2016 (audited)
	£'000	£'000	£'000
Deemed remuneration	**619**	361	1,058
Acquisition costs	**73**	139	287
Gain on acquisition	**—**	—	(265)
	692	500	1,080

5. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended 31 October 2016 (unaudited)	Six months ended 31 October 2015 (unaudited)	Year ended 30 April 2016 (audited)
	£'000	£'000	£'000
Earnings			
Profit for the period attributable to equity holders	**224**	406	294

	31 October 2016 (unaudited)	31 October 2015 (unaudited)	30 April 2016 (audited)
	number	number	number
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	**106,160,734**	104,641,513	105,245,846
Effect of dilutive potential ordinary shares:			
Share options	**478,874**	952,912	1,156,466
Contingent shares	**325**	—	63,982
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**106,639,933**	105,594,425	106,466,294

	Six months ended 31 October 2016 (unaudited)	Six months ended 31 October 2015 (unaudited)	Year ended 30 April 2016 (audited)
	pence	pence	pence
Basic and diluted earnings per share	0.2	0.4	0.3

The following additional earnings per share figures are presented as the directors believe they provide a better understanding of the trading position of the group:

	Six months ended 31 October 2016 (unaudited)	Six months ended 31 October 2015 (unaudited)	Year ended 30 April 2016 (audited)
	£'000	£'000	£'000
Earnings			
Profit for the period attributable to equity holders	**224**	406	294
Amortisation of intangible assets arising on acquisitions	**1,291**	1,348	2,827
Acquisition-related costs	**692**	500	1,080
Unwinding of discount on deferred consideration liabilities	**26**	22	42
Tax effect of above items	**(375)**	(370)	(848)
Adjusted earnings	**1,858**	1,906	3,395

	Six months ended 31 October 2016 (unaudited)	Six months ended 31 October 2015 (unaudited)	Year ended 30 April 2016 (audited)
	pence	pence	pence
Adjusted basic earnings per share	**1.8**	1.8	3.2
Adjusted diluted earnings per share	**1.7**	1.8	3.2

6. Dividends

The interim dividend of 0.6p (2015: 0.6p) per share (not recognised as a liability at 31 October 2016) will be payable on 5 May 2017 to ordinary shareholders on the register at the close of business on 7 April 2017. The final dividend of 1.6p per share as proposed in the 30 April 2016 financial statements and approved at the group's AGM was paid on 4 November 2016 and was recognised as a liability at 31 October 2016.

7. Reconciliation to the cash flow statement

	Six months ended 31 October 2016 (unaudited)	Six months ended 31 October 2015 (unaudited)	Year ended 30 April 2016 (audited)
	£'000	£'000	£'000
Profit for the period	**224**	406	294
Adjustments for:			
Tax	**263**	230	264
Finance costs	**499**	532	1,023
Amortisation of intangible assets	**1,378**	1,435	3,000
Depreciation of property, plant and equipment	**381**	433	848
Deemed remuneration	**619**	361	1,058
Gain on acquisition	—	—	(265)
Loss on disposal of property, plant and equipment	**5**	2	192
Share-based payment expense	**125**	31	62
Decrease in provisions	**(397)**	(884)	(1,239)
Operating cash flows before movements in working capital	**3,097**	2,546	5,237
Decrease in receivables	**206**	96	1,223
(Decrease) increase in payables	**(1,113)**	517	1,449
Cash generated by operations	**2,190**	3,159	7,909