12 December 2017

Begbies Traynor Group plc

Half year results
for the six months ended 31 October 2017

Begbies Traynor Group plc (the 'company' or the 'group'), the business recovery, financial advisory and property services consultancy, today announces its half year results for the six months ended 31 October 2017.

Financial overview

	2017 £m	2016* £m
Revenue	26.0	24.5
Adjusted profit before tax**	2.9	2.5
Profit before tax	1.0	0.9
Adjusted basic EPS*** (p)	2.0	1.8
Basic EPS (p)	0.3	0.5
Interim dividend (p)	0.7	0.6
Net debt	6.9	12.2

** Restated as detailed in note 1*

*** Profit before tax of £1.0m (2016: £0.9m) plus amortisation of intangible assets arising on acquisitions of £0.9m (2016: £1.3m) plus transaction costs of £1.0m (2016: £0.3m).*

**** See reconciliation in note 5*

Highlights:

- A good first half performance, results in line with expectations
- Business recovery and advisory services improved its performance:
    - increase in insolvency market activity levels over the last twelve months
    - revenue growth and improved margins
- Property services performed in line with expectations as we continued to invest in its service offering and geographical coverage
- Strong cash generation drove a significant reduction in net debt and supports the board's decision to declare an increased interim dividend, the first increase since 2011

Outlook:

- Well placed to deliver upon current market expectations for the full year

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

"I am pleased to report a good first half performance, in line with our expectations, reflecting a continuation of the improved performance in business recovery and advisory services experienced in the second half of last year, with property services performing as anticipated.

"Our good performance in the first half of the year leaves us well placed to deliver upon current market expectations for the full year; the delivery of which will enable the group to continue its recent track record of profit and earnings growth.

"The group is in its strongest position for many years, which enables us to execute our strategy and continue to invest in the growth of the business."

A meeting for analysts will be held today at 8:45am for 9.00am at the offices of MHP Communications, 6 Agar Street, London WC2N 4HN. Please contact Peter Lambie on 020 3128 8570 or via peter.lambie@mhpc.com if you would like to attend.

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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 good first half performance, in line with our expectations, reflecting an improved performance in business recovery and advisory services, with property services performing as anticipated.

In the business recovery and advisory division, we were encouraged to see a continuation of the increase in activity levels experienced in the second half of the prior year, with a strong year on year improvement in results. We remain the leading UK corporate appointment taker by volume, leaving us well positioned to take advantage of any sustained increase in activity levels, which remain close to historically low levels.

Property services performed in line with our expectations. We have continued to invest in the division to develop both our service offering and our geographical coverage, which we anticipate will benefit future years.

This strong financial performance has enabled the group to remain strongly cash generative, leading to reduction in net debt to £6.9m as at 31 October 2017 (2016: £12.2m) and allowing continued investment in growth opportunities.

The group's financial performance and cash generation in the first half, combined with our improved confidence in sustaining our recent earnings growth, has led the board to declare a 17% increase in the interim dividend to 0.7p. This is the first dividend increase since 2011.

RESULTS

Group revenue from continuing operations in the half year ended 31 October 2017 was £26.0m (2016: £24.5m). Adjusted profit before tax* increased to £2.9m (2016: £2.5m). Profit before tax was £1.0m (2016: £0.9m). Profit for the period from continuing operations was £0.4m (2016: £0.5m).

Earnings per share from continuing operations**, adjusted for the net of tax impact of amortisation of intangible assets arising on acquisitions and transaction costs, were 2.0p (2016: 1.8p). Basic and fully diluted earnings per share from continuing operations were 0.3p (2016: 0.5p).

Net debt at 31 October 2017 was £6.9m (30 April 2017: £10.3m, 31 October 2016: £12.2m). Gearing stood at 12% (Apr 17: 18%, Oct 16: 21%) and the group retains significant headroom in its committed banking facilities. Interest cover*** was 12.2 times (2016: 6.3 times).

** Profit before tax from continuing operations of £1.0m (2016: £0.9m) plus amortisation of intangible assets arising on acquisitions of £0.9m (2016: £1.3m) plus transaction costs of £1.0m (2016: £0.3m)*

*** See reconciliation in note 5*

**** Before amortisation and transaction costs*

DIVIDEND

The board is pleased to declare an increased interim dividend of 0.7p (2016: 0.6p), an increase of 17%.

The full year dividend will be set in line with our commitment to a long-term progressive dividend policy, with any dividend growth taking account of both the market outlook and earnings growth.

The interim dividend will be paid on 10 May 2018 to shareholders on the register as at 13 April 2018, with an ex-dividend date of 12 April 2018.

OUTLOOK

Our good performance in the first half of the year leaves us well placed to deliver upon current market expectations for the full year; the delivery of which will enable the group to continue its recent track record of profit and earnings growth.

The group is in its strongest position for many years, which enables us to execute our strategy and continue to invest in the growth of the business. We will provide an update on third quarter trading in early March 2018.

Ric Traynor
Executive chairman
12 December 2017

BUSINESS REVIEW

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

Business recovery and financial advisory services

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.

BTG Advisory provides transactional support, valuations and advisory services.

We provide these services to businesses, professional advisors, other stakeholders, investors and financial institutions, working with all the major UK clearing banks.

Property services

Eddisons is a national firm of chartered surveyors, delivering advisory and transactional services to owners and occupiers of commercial property, investors and financial institutions. The division includes Pugh & Co, the largest regional firm of commercial property auctioneers by number of lots.

OPERATING REVIEW

Business recovery and financial advisory

Insolvency market

The number of corporate insolvencies (source: The Insolvency Service) increased by 8% in the twelve months ended 30 September 2017* to 15,572 (2016: 14,482). Corporate insolvencies in calendar years 2015 and 2016 were circa 14,700 per annum, representing the lowest level of corporate appointments since 2004.

**Source: The Insolvency Service quarterly insolvency statistics, excluding the one-off effect of 1,131 connected personal service companies which entered liquidation on the same date following changes to claimable expenses rules.*

Financial performance

The increase in market activity levels (as noted above), combined with a success fee of £0.8m on a contingent insolvency case, increased revenue by 10% to £19.2m (2016: £17.4m). Segmental profits* increased to £4.1m (2016: £3.2m) with an improvement in operating margins to 21.4% (2016: 18.1%).

We have continued to develop our advisory services in the period and have recently launched BTG Advisory, which brings together our restructuring, financial advisory, corporate finance, forensic and investigation teams to operate as one national team.

The number of people employed in the division has increased to 342 as at 31 October 2017 from 337 at the start of the financial year. We retain the capacity to deliver growth in revenue and profits from our existing team in the event of a further increase in activity levels.

We have maintained our market share and remain the leading corporate appointment taker by volume. In the second half, we expect the division to perform broadly in line with the first half, excluding the benefit of the contingent fees.

** See note 2*

Property services

Revenue decreased to £6.8m (2016: £7.1m) as anticipated, due to a one-off advisory fee of £0.4m which benefitted the comparative period. Operating costs increased to £5.5m (2016: £5.1m) due to the full year impact of prior year acquisitions, investment in new people and increased share-based payment charges.

Segmental profits* were £1.3m (2016: £2.0m) with operating margins of 19.7% (2016: 28.3%).

As noted above, we have continued to invest in the division and in the period have recruited a new team in Liverpool providing valuation and agency services operating from the group's existing office, which we anticipate will benefit future years. The number of people employed in the division has increased to 177 as at 31 October 2017 from 170 at the start of the financial year and 164 in October 2016.

We continue to seek opportunities to invest in the division through senior recruitment, in addition to seeking further acquisitions. These growth initiatives will develop both our service offering and geographical coverage. In the second half, we anticipate trading to continue at least at current levels.

** See note 2*

FINANCE REVIEW

Financial summary

	2017 £'000	Restated 2016 £'000
Revenue	**26,016**	24,454
Operating profit (before transaction costs and amortisation)	**3,134**	2,969
Interest costs	**(256)**	(472)
Adjusted profit before tax	**2,878**	2,497
Transaction costs	**(1,029)**	(329)
Amortisation of intangible assets arising on acquisitions	**(895)**	(1,291)
Profit before tax	**954**	877
Tax	**(570)**	(346)
Profit for the period	**384**	531

Revenue

Revenue in the period was £26.0m (2016: £24.5m).

Business recovery and financial advisory revenue increased by £1.9m, partially offset by reduced property services revenue of £0.3m.

Operating profit (before transaction costs and amortisation)

Operating profit increased to £3.1m (2016: £3.0m) with margins of 12.0% (2016: 12.1%).

Interest costs

Interest costs reduced to £0.3m (2016: £0.5m), as a result of the group's reduced borrowing costs following the refinancing in November 2016.

Transaction costs

Transaction costs in the period were £1.0m (2016: £0.3m) comprising:

- acquisition costs of £nil (2016: £0.1m);
- deemed remuneration charges of £0.7m (2016: £0.6m);
- charge relating to the put and call option over Begbies Traynor (London) LLP of £0.3m (2016: £nil), offset by:
- gain on acquisition of £nil (2016: £0.4m).

Amortisation of intangible assets arising on acquisitions

Amortisation costs decreased to £0.9m (2016: £1.3m).

Tax

The tax charge for the period was £0.6m (2016: £0.3m) based on the expected tax rate for the full year.

Earnings per share ('EPS')

EPS*, adjusted for the net of tax impact of amortisation and transaction costs were 2.0p (2016: 1.8p).

Basic and diluted earnings per share were 0.3p (2016: 0.5p).

** See reconciliation in note 5*

Cash flows

Cash generated by operations (before interest and tax payments) in the period was £4.9m (2016: £2.2m). Tax payments in the period were £0.4m (2016: £0.7m). Interest payments were £0.2m (2016: £0.4m).

Cash outflows from investing activities were £0.3m (2016: £2.2m). Capital expenditure was £0.2m (2016: £0.1m). Deferred payments relating to prior year acquisitions were £0.1m (2016: £0.5m). Acquisition payments were £nil (2016: £1.6m, net of cash acquired).

Financing cash outflows were £2.6m (2016: £1.6m). During the period we reduced the level of drawn debt under our banking facilities by £2.0m (2016: £1.0m). Dividend payments were £0.6m (2016: £0.6m).

Financing

Net borrowings reduced to £6.9m at 31 October 2017 (Apr 2017: £10.3m, Oct 16: £12.2m), with gearing of 12% (Apr 17: 18%, Oct 16: 21%) and significant headroom within the committed banking facilities. During the period, all bank covenants were comfortably met and the group remains in a strong financial position. Interest cover* was 12.2 times (2016: 6.3 times).

The group's banking facilities are unsecured, mature on 31 August 2021 and comprise a £25m committed revolving credit facility and a £5m uncommitted acquisition facility.

** Before amortisation and transaction costs*

Net assets

At 31 October 2017 net assets were £56.5m (2016: £58.6m) and are analysed as follows:

	31 Oct 2017 £m	30 Apr 2017 £m	Restated 31 Oct 2016 £m
Non-current assets	58.9	60.0	61.3
Current assets	28.8	29.8	33.6
Net borrowings	(6.9)	(10.3)	(12.2)
Current tax	(1.2)	(0.8)	(1.0)
Other liabilities	(23.1)	(20.6)	(23.1)
Net assets	**56.5**	**58.1**	**58.6**

Ric Traynor
Executive chairman
12 December 2017

Nick Taylor
Group finance director
12 December 2017

Statement of comprehensive income

	Note	**Six months ended**	Restated Six months ended	Year ended
		31 October 2017	31 October 2016	30 April 2017
		(unaudited)	(unaudited)	(audited)
		£'000	£'000	£'000
Revenue		**26,016**	24,454	49,685
Direct costs		**(14,659)**	(13,739)	(28,130)
Gross profit		**11,357**	10,715	21,555
Other operating income		**132**	186	397
Administrative expenses		**(10,279)**	(9,552)	(20,309)
Operating profit before amortisation and transaction costs		**3,134**	2,969	5,627
Transaction costs	4	**(1,029)**	(329)	(1,545)
Amortisation of intangible assets arising on acquisitions		**(895)**	(1,291)	(2,439)
Operating profit		**1,210**	1,349	1,643
Finance costs	3	**(256)**	(472)	(1,001)
Profit before tax		**954**	877	642
Tax		**(570)**	(346)	(429)
Profit for the period from continuing operations		**384**	531	213
Discontinued operations				
Loss for the period from discontinued operations		**—**	—	(476)
Profit (loss) for the period		384	531	(263)
Other comprehensive income				
Exchange differences on translation of foreign operations		**—**	—	2
Total comprehensive income for the period		**384**	531	(261)
Earnings per share				
From continuing operations				
Basic and diluted		**0.3p**	0.5p	0.2p
From continuing and discontinued operations				
Basic and diluted	5	**0.3p**	0.5p	(0.2)p

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 2017 (unaudited)	Share capital £'000	Share premium £'000	Merger reserve £'000	Translation reserve £'000	Retained earnings £'000	**Total equity £'000**
At 1 May 2017	5,640	23,258	17,584	—	11,618	58,100
Profit for the period	—	—	—	—	384	**384**
Other comprehensive income:						
Exchange differences on translation of foreign operations	—	—	—	—	—	**—**
Total comprehensive income for the period	—	—	—	—	384	**384**
Dividends	—	—	—	—	(2,356)	**(2,356)**
Credit to equity for equity-settled share-based payments	—	—	—	—	161	**161**
Shares issued	28	349	—	—	(212)	**165**
At 31 October 2017	**5,668**	**23,607**	**17,584**	—	**9,595**	**56,454**

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 as previously reported	5,611	23,042	17,584	(2)	13,446	**59,681**
Restatement	—	—	—	—	549	**549**
At 1 May 2016 restated	5,611	23,042	17,584	(2)	13,995	**60,230**
Profit for the period as restated	—	—	—	—	531	**531**
Other comprehensive income:						
Exchange differences on translation of foreign operations	—	—	—	—	—	**—**
Total comprehensive income for the period	—	—	—	—	531	**531**
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)**	**12,316**	**58,563**

For the year ended 30 April 2017 (audited)	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**
Restatement	—	—	—	—	549	**549**
At 1 May 2016 restated	5,611	23,042	17,584	(2)	13,995	**60,230**
Loss for the year	—	—	—	—	(263)	**(263)**
Other comprehensive income:						
Exchange differences on translation of foreign operations	—	—	—	2	—	**2**
Total comprehensive income for the year	—	—	—	2	(263)	**(261)**
Dividends	—	—	—	—	(2,335)	**(2,335)**
Credit to equity for equity-settled share-based payments	—	—	—	—	431	**431**
Shares issued	29	216	—	—	(210)	**35**
At 30 April 2017	**5,640**	**23,258**	**17,584**	—	**11,618**	**58,100**

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

Consolidated balance sheet

	31 October 2017 (unaudited)	Restated 31 October 2016 (unaudited)	30 April 2017 (audited)
	£'000	£'000	£'000
Non-current assets			
Intangible assets	**57,548**	59,591	58,471
Property, plant and equipment	**1,397**	1,677	1,498
	58,945	61,268	59,969
Current assets			
Trade and other receivables	**28,818**	33,642	29,761
Cash and cash equivalents	**8,069**	4,823	6,715
	36,887	38,465	36,476
Total assets	**95,832**	99,733	96,445
Current liabilities			
Trade and other payables	**(16,427)**	(15,797)	(13,585)
Current tax liabilities	**(1,231)**	(997)	(843)
Borrowings	—	(7,000)	—
Provisions	**(458)**	(613)	(755)
	(18,116)	(24,407)	(15,183)
Net current assets	**18,771**	14,058	21,293
Non-current liabilities			
Trade and other payables	**(671)**	—	(335)
Borrowings	**(15,000)**	(10,000)	(17,000)
Provisions	**(352)**	(711)	(418)
Deferred tax	**(5,239)**	(6,052)	(5,409)
	(21,262)	(16,763)	(23,162)
Total liabilities	**(39,378)**	(41,170)	(38,345)
Net assets	**56,454**	58,563	58,100
Equity			
Share capital	**5,668**	5,612	5,640
Share premium	**23,607**	23,053	23,258
Merger reserve	**17,584**	17,584	17,584
Translation reserve	—	(2)	—
Retained earnings	**9,595**	12,316	11,618
Equity attributable to owners of the company	**56,454**	58,563	58,100

Consolidated cash flow statement

	Note	**Six months ended 31 October 2017 (unaudited)**	Six months ended 31 October 2016 (unaudited)	Year ended 30 April 2017 (audited)
		£'000	£'000	£'000
Cash flows from operating activities				
Cash generated by operations	7	**4,912**	2,190	7,974
Income taxes paid		**(352)**	(701)	(1,462)
Interest paid		**(248)**	(429)	(919)
Net cash from operating activities		**4,312**	1,060	5,593
Investing activities				
Purchase of property, plant and equipment		**(151)**	(72)	(289)
Purchase of intangible fixed assets		**(61)**	(8)	(8)
Deferred consideration payments in the period		**(122)**	(539)	(1,144)
Acquisition of businesses		**—**	(1,627)	(1,773)
Net cash from investing activities		**(334)**	(2,246)	(3,214)
Financing activities				
Dividends paid		**(640)**	(637)	(2,335)
Proceeds on issue of shares		**16**	12	37
Repayment of loans		**(2,000)**	(1,000)	(1,000)
Net cash from financing activities		**(2,624)**	(1,625)	(3,298)
Net increase (decrease) in cash and cash equivalents		**1,354**	(2,811)	(919)
Cash and cash equivalents at beginning of period		**6,715**	7,634	7,634
Cash and cash equivalents at end of period		**8,069**	4,823	6,715

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 2017, 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 2017 were approved by the board of directors on 10 July 2017 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 2017 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 2017.

(c) Prior period restatement

As disclosed in the group's statutory accounts for the year ended 30 April 2017, the group updated its accounting in respect of the acquisition of subsidiaries and businesses where the consideration payable requires post-acquisition service obligations to be performed by the selling shareholders.

The net impact of these adjustments was a £549,000 credit to opening reserves at 1 May 2016 and a £307,000 credit to the consolidated statement of comprehensive income in the six months to 31 October 2016. The group's KPI's of adjusted profit before tax and adjusted EPS were not impacted by this restatement. There were no restatements to reported cashflows.

The impact on each line item on the primary financial statements is shown in the table below:

	As reported 31 October 2016 £'000	**Adjustments 31 October 2016 £'000**	**Restated 31 October 2016 £'000**
Consolidated income statement			
Transaction costs	(692)	363	(329)
Finance costs	(499)	27	(472)
Tax	(263)	(83)	(346)
Profit for the year from continuing operations	224	307	531
Basic earnings per share			
From continuing operations	0.2p	0.3p	0.5p
Consolidated balance sheet			
Total assets	100,946	(1,213)	99,733
Total liabilities	(43,239)	2,069	(41,170)
Total shareholders funds	**57,707**	**856**	**58,563**

2. Segmental analysis by class of business

	Six months ended 31 October 2017 (unaudited)	Six months ended 31 October 2016 (unaudited)	Year ended 30 April 2017 (audited)
	£'000	£'000	£'000
Revenue			
Business recovery and advisory	**19,246**	17,360	36,231
Property	**6,770**	7,094	13,454
	26,016	24,454	49,685
Operating profit before amortisation and transaction costs			
Business recovery and advisory	**4,113**	3,150	7,353
Property	**1,337**	2,006	2,900
Shared and central costs	**(2,316)**	(2,187)	(4,626)
	3,134	2,969	5,627

3. Finance costs

	Six months ended 31 October 2017 (unaudited)	Restated Six months ended 31 October 2016 (unaudited)	Year ended 30 April 2017 (audited)
	£'000	£'000	£'000
Interest on bank loans and overdrafts	**256**	472	760
Unwinding of discount on deferred consideration liabilities	**—**	—	16
Interest costs	**256**	472	776
Refinancing costs	**—**	—	225
	256	472	1,001

4. Transaction costs

	Six months ended 31 October 2017 (unaudited)	Restated Six months ended 31 October 2016 (unaudited)	Year ended 30 April 2017 (audited)
	£'000	£'000	£'000
Deemed remuneration	**662**	607	1,420
Acquisition costs	**32**	73	141
Gain on acquisition	—	(351)	(351)
Charge relating to the put and call option over Begbies Traynor (London) LLP	**335**	—	335
	1,029	329	1,545

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 2017 (unaudited)	Restated Six months ended 31 October 2016 (unaudited)	Year ended 30 April 2017 (audited)
	£'000	£'000	£'000
Earnings			
Profit for the period from continuing operations attributable to equity holders	**384**	531	213
Loss from discontinued operations attributable to equity holders	—	—	(476)
Profit (loss) for the period attributable to equity holders	**384**	531	(263)

	31 October 2017 (unaudited)	31 October 2016 (unaudited)	30 April 2017 (audited)
	Number	number	number
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	**108,352,224**	106,202,986	107,246,497
Effect of dilutive potential ordinary shares:			
Share options	**3,169,599**	2,125,437	1,688,849
Contingent shares	**1,354,582**	1,496,426	1,642,313
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**112,876,405**	109,824,849	110,577,659

	Six months ended 31 October 2017 (unaudited)	Six months ended 31 October 2016 (unaudited)	Year ended 30 April 2017 (audited)
Basic earnings (loss) per share from	**Pence**	pence	pence
Continuing operations	0.3	0.5	0.2
Discontinued operations	—	—	(0.4)
	0.3	0.5	(0.2)

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 2017 (unaudited)	Restated Six months ended 31 October 2016 (unaudited)	Year ended 30 April 2017 (audited)
	£'000	£'000	£'000
Earnings			
Profit for the period attributable to equity holders	**384**	531	213
Amortisation of intangible assets arising on acquisitions	**895**	1,291	2,439
Transaction costs	**1,029**	329	1,545
Refinancing costs	—	—	225
Tax effect of above items	**(170)**	(370)	(875)
Adjusted earnings	**2,138**	1,781	3,547

	Six months ended 31 October 2017 (unaudited)	Six months ended 31 October 2016 (unaudited)	Year ended 30 April 2017 (audited)
	pence	pence	pence
Adjusted basic earnings per share	**2.0**	1.8	3.3
Adjusted diluted earnings per share	**1.9**	1.7	3.2

6. Dividends

The interim dividend of 0.7p (2016: 0.6p) per share (not recognised as a liability at 31 October 2017) will be payable on 10 May 2018 to ordinary shareholders on the register at the close of business on 13 April 2018. The final dividend of 1.6p per share as proposed in the 30 April 2017 financial statements and approved at the group's AGM was paid on 8 November 2017 and was recognised as a liability at 31 October 2017.

7. Reconciliation to the cash flow statement

	Six months ended 31 October 2017 (unaudited)	Restated Six months ended 31 October 2016 (unaudited)	Year ended 30 April 2017 (audited)
	£'000	£'000	£'000
Profit (loss) for the period	**384**	531	(263)
Adjustments for:			
Tax	**570**	346	311
Finance costs	**256**	472	1,001
Amortisation of intangible assets	**984**	1,378	2,613
Depreciation of property, plant and equipment	**252**	381	769
Deemed remuneration	**662**	607	1,420
Charge relating to the put and call option over Begbies Traynor (London) LLP	**335**	—	335
Gain on acquisition	—	(351)	(351)
Loss on disposal of property, plant and equipment	—	5	13
Loss on disposal of discontinued operations	—	—	594
Share-based payment expense	**161**	125	431
Decrease in provisions	**(364)**	(397)	(549)
Operating cash flows before movements in working capital	**3,240**	3,097	6,324
Decrease in receivables	**918**	452	3,179
Increase (decrease) in payables	**754**	(1,359)	(1,529)
Cash generated by operations	**4,912**	2,190	7,974