



**DSG**

Dillistone Group Plc

**UNAUDITED INTERIM REPORT  
FOR THE SIX MONTHS ENDED  
30 JUNE 2015**

**Company No. 4578125**



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## Highlights to the unaudited interim report for the six months ended 30 June 2015:

### Financial

- Revenue up 12% to £4.71m
  - Recurring revenues up 14% to £3.26m
  - Non-recurring revenues up 6% to £1.20m
- Adjusted EBITDA<sup>1</sup> up 9% to £1.19m
- Depreciation & amortisation up 53% following uplift in R&D
- Adjusted operating profits<sup>2</sup> down 6% to £0.78m
- Adjusted basic EPS<sup>3</sup> down 7% to 3.31p
- Cash balances of £1.34m at 30 June 2015 (2014: £1.19m) and debt of £0.40m (2014: £nil) after making final payments associated with acquisition of FCP
- 4% increase in interim dividend to 1.35p (2014: 1.30p)

### Operational

#### Dillistone Systems Division

- Notable contract wins include multiple clients taken from direct competitors
- Preferred Provider Agreements signed with two major global executive search groups
- Significant improvement in client retention rates and return of a large former client
- Incoming order values up approx. 20% since launch of FileFinder Anywhere

#### Voyager Software Division

- Launch of cloud hosted version of Infinity with additional functionality for use in the temporary staffing sector
- Launch of integration of ISV FastPath and Infinity to facilitate cross selling opportunities
- Launch of version 6 of Evolve software

### **Commenting on the results and prospects, Mike Love, Non-Executive Chairman, said:**

*“These results demonstrate growth in revenue and EBITDA, with the benefits of our acquisition strategy showing through.*

*“We continue to invest in our products, services and infrastructure across the Group. These investments are expected to deliver long term shareholder benefits and strengthen Dillistone’s position in its chosen markets.*

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*“Our confidence in the future has allowed us to declare a further increase in our interim dividend.”*

*Dr Mike Love, Chairman*

<sup>1</sup> *Adjusted EBITDA is adjusted operating profit with depreciation and amortisation added back.*

<sup>2</sup> *Adjusted operating profit is statutory operating profit before acquisition costs, related intangible amortisation, movements in deferred consideration and other one-off costs relating to acquisitions.*

<sup>3</sup> *Adjusted earnings per share is computed from statutory profits after tax adjusted to exclude the post-tax effect of acquisition costs, related intangible amortisation, movements in deferred consideration and other one-off costs relating to acquisitions.*



## Chairman's Statement

*The Group has made good progress in the first half, delivering a solid set of financial results coupled with an impressive number of product updates launched in the period. We continue to pursue a growth strategy of investing in our products and services and targeting complementary acquisitions. This is a strategy that has served us well in the past and which remains our conviction at this time.*

*Revenues increased by 12% over the 6 months to June 2014 with recurring revenues up by 14% and now representing 69% of total revenues. Revenues have benefited from the acquisition of ISV in October 2014. Excluding the impact of ISV, which did not contribute to the comparative first half period in 2014, underlying revenue growth was 3%.*

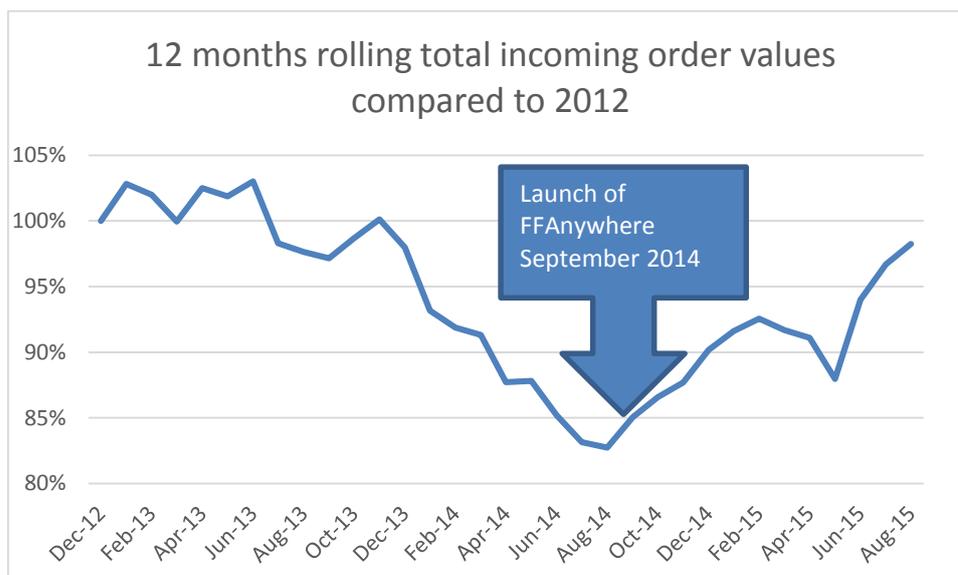
*Administration expenses have risen in H1 2015, not only through the acquisition of the ISV business, but also through increased depreciation and amortisation charges, relating primarily to investment in product development. Excluding depreciation and amortisation and the impact of ISV, administrative expenses rose 3% over H1 2014.*

*EBITDA grew 9% to £1.19m (2014: £1.09m). Total depreciation and amortisation, including acquisition intangibles, increased to £0.60m (2014: £0.39m) resulting in profit before tax being down 12% to £0.57m (2014: £0.65m). Operating profits, excluding acquisition intangibles, were therefore £0.78m down 6% on 2014.*

### **Divisional review**

*Dillistone Systems ([www.dillistone.com](http://www.dillistone.com)) reported revenues of £2.306m (2014: £2.302m).*

*The launch of FF Anywhere in September 2014 has been well received by existing clients and we have benefitted from a significant number of these clients upgrading, which has resulted in improved retention rates. The product has also led to us achieving a number of notable new client wins, with the most recent of these including our largest win in South America since 2006 and our largest win in the UK since 2012. These are in addition to the previously referenced notable wins in mainland Europe and North America. We are delighted to report that incoming order values for FileFinder have risen by approximately 20% in the year since the launch of FileFinder Anywhere.*



*Divisional profits are £0.218m down in the period mainly due to increased depreciation and amortisation charges, relating primarily to development costs and also to increased fixed assets, following our head office relocation in October 2014, and higher staff costs.*

*Voyager Software ([www.voyagersoftware.com](http://www.voyagersoftware.com)) has also enjoyed a good trading period with revenue 27% ahead of 2014 at £2.400m (2014: £1.896m). It has benefited from the impact of the ISV acquisition, which took place in October 2014. On a like for like basis, excluding ISV, underlying revenue would have been ahead by nearly 6%.*

*The Division continues to invest in product development and in the period launched a Cloud hosted version of its Infinity product together with additional functionality to allow the product to be used by clients in the temporary staffing sector.*

*We also launched our new integration between the ISV FastPath product and Infinity. We believe that this development will facilitate cross selling within the Division.*

*In July 2015 we were delighted to announce the release of version 6 of Evolve. The Evolve™ product was acquired through our acquisition of FCP in 2013 and this represents its biggest release in many years and again demonstrates our commitment to product development.*

*Divisional profits increased by £0.164m in the period.*

## **Financial Performance**

*Revenue in the six months ended 30 June 2015 increased by 12% to £4.706m (2014: £4.198m). Recurring revenues increased by 14% to £3.257m over the comparable period last year (2014: £2.861m) and represented 69% of total*

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revenues (2014: 68%). Non recurring revenues increased 6% to £1.202m (2014: £1.129m).

Costs of sales increased to £0.661m (2014: £0.548m) mainly due to the inclusion of ISV. Excluding acquisition related costs, administrative costs increased by 16% to £3.270m (2014: £2.825m). Excluding ISV costs, administrative costs grew 8%. In addition depreciation, excluding amortisation of acquisition intangibles, increased by 55% to £0.411m (2014: £0.265m), reflecting the impact of the increased amortisation of development costs. Administrative costs also include £0.189m (2014: £0.128m) relating to the amortisation of acquisition intangibles.

Profit before tax and acquisition related items fell by 7% to £0.772m (2014: £0.828m). Profit before tax and after acquisition related items fell by 12% to £0.566m (2014: £0.646).

The tax charge fell to £0.090m in the period to 30 June 2015 (2014: £0.132m). This gave an effective global tax rate of 15.9% (2014: 20.4%). The 2014 and 2015 rates have been reduced by claims in the UK for research and development tax credits reflecting the continuing development of our products. The falling UK tax rates have also had a positive impact on the charge, which is offset by the higher rates of corporation tax payable in the US and Australia.

Adjusted basic EPS fell 7% to 3.31p (2014: 3.55p), before acquisition related items, and fell 13% to 2.45p after such items.

Cash generated from operating activities remained strong at £1.111m (2014: £1.179m). Total cash flow in the 6 months ended 30 June 2015 showed a net cash outflow of £0.560m (2014: outflow £0.198m). The main elements of non-operating expenditure related to dividends paid in the period of £0.528m (2014: £0.475m) and investment in new product development of £0.464m (2014: £0.324m) and deferred and contingent consideration payments in respect of ISV and FCP totalling £0.666m (2014: £0.550m). At 30 June 2015 we had cash reserves of £1.335m (2014: £1.193m) and £0.406m in borrowings (2014: £nil).

We continue to follow a progressive dividend policy and, reflecting this, the Board has declared an increase in the interim dividend for 2015 of 4%. Accordingly, a dividend of 1.35p per share (2014: 1.30p) will be paid on 19 November 2015 to holders on the register on 16 October 2015. Shares will trade ex-dividend from 15 October 2015.

## **Strategy**

The Group remains committed to a strategy of both organic and acquisitive growth underpinned by continued investment in our core products. Following the acquisition of ISV we have delivered a key goal with the launch of the integration between the ISV FastPath product and Voyager Infinity.



## Outlook

*The Board is pleased that our Dillistone Systems division has seen revenues grow after the fall seen last year. We expect this to continue as new and existing clients increasingly turn to the FileFinder Anywhere suite and more and more firms sign up for our cloud services.*

*The Board is aware that the executive search software market in which Dillistone Systems operates is far more competitive than it has been in previous years. Increased competition means that the Division has to work harder to win business and maintain standards, and this has required and continues to require ongoing investment in our products, in our services, and in our infrastructure.*

*The turnaround in Sales seen since the launch of FF Anywhere demonstrates that this strategy is working. It is particularly pleasing to note that, in the 12 months since launch, the value of total incoming orders has risen by approximately 20% and the Division has won more contracts and more users from our two closest competitors than in the previous four years combined.*

*The Board is of the view that it is in the best long term interest of all stakeholders that the Division continues to invest in products and services but is aware that, in reality, this means that, while Dillistone Systems will continue to operate in a very profitable manner, margins will be impacted and pre-tax profits will fall in 2015.*

*Our Voyager Software division has shown growth at both the revenue and the pre-tax profit level, and we expect this to continue into the second half. Our Infinity SaaS product, launched earlier in the summer, has already led to new business contract wins and we are optimistic that revenue growth will continue in 2015.*

*In the short term, expected growth in Voyager will not make up for the increased investment in Dillistone Systems and, as a result, Group revenue will grow but profits will fall in 2015 compared to 2014. However, the Group will continue to be very profitable.*

*The Board therefore remains confident in the future prospects of the Group and has declared an increase in the interim dividend to 1.35p per share.*

Mike Love

15 September 2015



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	6 Months ended 30 June		Year ended 31 Dec
		2015 Unaudited £'000	2014 Unaudited £'000	2014 Audited £'000
Revenue	4	4,706	4,198	8,625
Cost of sales		(661)	(548)	(1,108)
Gross profit		4,045	3,650	7,517
Administrative expenses		(3,459)	(2,954)	(6,115)
Result from operating activities	4	586	696	1,402
<i>Analysed as:</i>				
Result from operating activities before acquisition related items		775	824	1,820
Acquisition related items	5	(189)	(128)	(418)
Result after acquisition related items		586	696	1,402
Financial income		4	4	6
Financial cost		(24)	(54)	(103)
<b>Profit before tax</b>		566	646	1,305
Tax expense	6	(90)	(132)	(160)
<b>Profit for the period</b>		476	514	1,145
<b>Other comprehensive income net of tax:</b>				
Currency translation differences		(14)	3	(8)
<b>Total comprehensive income for period net of tax</b>		462	517	1,137
<b>Earnings per share (pence)</b>				
Basic	8	2.45	2.82	6.18
Diluted		2.34	2.72	5.95



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>As at 30 June</i>		<i>As at</i>
	<i>2015</i>	<i>2014</i>	<i>31 Dec</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	3,415	2,745	3,415
Intangible assets	6,245	4,808	6,317
Property plant & equipment	295	117	299
	<u>9,955</u>	<u>7,670</u>	<u>10,031</u>
<b>Current assets</b>			
Inventories	27	59	41
Trade and other receivables	1,839	1,855	1,784
Cash and cash equivalents	1,335	1,193	1,929
	<u>3,201</u>	<u>3,107</u>	<u>3,754</u>
<b>Total assets</b>	<u>13,156</u>	<u>10,777</u>	<u>13,785</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	978	914	969
Share premium	1,553	498	1,432
Merger reserve	365	365	365
Share option reserve	130	140	118
Retained earnings	3,462	3,115	3,514
Translation reserve	114	139	128
<b>Total equity</b>	<u>6,602</u>	<u>5,171</u>	<u>6,526</u>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Trade and other payables	428	55	666
Borrowings	242	-	325
Deferred tax	1,139	860	1,152
<b>Current liabilities</b>			
Trade and other payables	4,281	4,297	4,669
Borrowings	164	-	162
Current tax payable	300	394	285
<b>Total liabilities</b>	<u>6,554</u>	<u>5,606</u>	<u>7,259</u>
<b>Total liabilities and equity</b>	<u>13,156</u>	<u>10,777</u>	<u>13,785</u>

The interim report was approved by the Board of directors and authorised for issue on 15 September 2015. They were signed on its behalf by:

JS Starr

J P Pomeroy



## CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>6 months ended 30 June</b>		<b>Year ended</b>
	<b>2015</b>	<b>2014</b>	<b>31 Dec</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Operating Activities</b>			
Profit before tax	566	646	1,305
Add taxation (paid)/ repaid	(92)	29	(122)
Adjustment for			
Financial income	(4)	(4)	(6)
Financial cost	24	54	103
Depreciation and amortisation	600	393	868
Share option expense	22	18	13
Other including foreign exchange adjustments arising from operations	(10)	1	(3)
Operating cash flows before movements in working capital	1,106	1,137	2,158
Increase in receivables	(83)	(57)	(81)
Decrease / (Increase) in inventories	14	19	37
Increase in payables	74	80	4
Net cash generated from operating activities	1,111	1,179	2,118
<b>Investing Activities</b>			
Interest received	4	4	6
Finance cost	(7)	-	(2)
Purchases of property plant and equipment	(60)	(32)	(259)
Investment in development costs	(464)	(324)	(814)
Acquisition of subsidiaries net of cash acquired	-	-	(718)
Contingent consideration paid	(666)	(550)	(550)
Net cash used in investing activities	(1,193)	(902)	(2,337)
<b>Financing Activities</b>			
Proceeds from issue of share capital	130	-	989
Bank loan received	-	-	500
Bank loan repayments made	(80)	-	(13)
Dividends paid	(528)	(475)	(723)
Net cash (used by) / generated from financing activities	(478)	(475)	753
Net change in cash and cash equivalents	(560)	(198)	534
Cash and cash equivalents at beginning of the period	1,929	1,399	1,399
Effect of foreign exchange rate changes	(34)	(8)	(4)
Cash and cash equivalents at end of period	1,335	1,193	1,929



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Merger Reserve £'000	Retained earnings £'000	Share option £'000	Foreign exchange £'000	Total £'000
<b>Balance at 31 December 2013</b>	914	498	365	3,076	121	136	5,110
<b>Comprehensive income</b>							
Profit for the 6 months ended 30 June 2014	-	-	-	514	-	-	514
<b>Other comprehensive income</b>							
Exchange differences on translation of overseas operations	-	-	-	-	-	3	3
Total comprehensive income	-	-	-	514	-	3	517
<b>Transactions with owners</b>							
Issue of share capital	-	-	-	-	-	-	-
Share option charge	-	-	-	-	19	-	19
Dividends paid	-	-	-	(475)	-	-	(475)
<b>Balance at 30 June 2014</b>	914	498	365	3,115	140	139	5,171
<b>Comprehensive income</b>							
Profit for the 6 months ended 31 Dec 2014	-	-	-	631	-	-	631
<b>Other comprehensive income</b>							
Exchange differences on translation of overseas operations	-	-	-	-	-	(11)	(11)
Total comprehensive income	-	-	-	631	-	(11)	620
<b>Transactions with owners</b>							
Issue of share capital	55	934	-	-	-	-	989
Share option charge	-	-	-	16	(22)	-	(6)
Dividends paid	-	-	-	(248)	-	-	(248)
<b>Balance at 31 December 2014</b>	969	1,432	365	3,514	118	128	6,526
<b>Comprehensive income</b>							
Profit for the 6 months ended 30 June 2015	-	-	-	476	-	-	476
<b>Other comprehensive income</b>							
Exchange differences on translation of overseas operations	-	-	-	-	-	(14)	(14)
Total comprehensive income	-	-	-	476	-	(14)	462
<b>Transactions with owners</b>							
Issue of share capital	9	121	-	-	-	-	130
Share option charge	-	-	-	-	12	-	12
Dividends paid	-	-	-	(528)	-	-	(528)
<b>Balance at 30 June 2015</b>	978	1,553	365	3,462	130	114	6,602



## NOTES TO THE UNAUDITED INTERIM REPORT

### 1. Basis of Preparation

The financial information for the six months ended 30 June 2015 included in this condensed interim report comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes on pages 13 – 19.

These interim financial statements have not been audited nor have they been reviewed by the auditors under ISRE 2410 of the Auditing Practices Board. The financial information set out in this report does not constitute statutory accounts as defined by the Companies Act 2006. The comparative figures for the year ended 31 December 2014 were derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. Those accounts received an unqualified audit report which did not contain statements under sections 498(2) or (3) (accounting records or returns inadequate, accounts not agreeing with records and returns or failure to obtain necessary information and explanations) of the Companies Act 2006.

The interim financial statements have been prepared on the basis of the accounting policies set out in the December 2014 financial statements of Dillistone Group Plc and on a going concern basis. They are presented in sterling which is also the functional currency of the parent company. They do not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014.

Dillistone Group Plc is the Group's ultimate parent company. It is a public listed company and is domiciled in the United Kingdom. The address of its registered office and principal place of business is 50 Leaman St, London, E1 8HQ. Dillistone Group Plc's shares are listed on the Alternative Investment Market (AIM).

### 2. Share Based Payments

The Company operates two share option schemes. The fair value of the options granted under these schemes is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period at the end of which the option holder may exercise the option. The fair value of the options granted is measured using the Black-Scholes model.

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## 3 Reconciliation of adjusted operating profits to consolidated statement of comprehensive income

30 June 2015 and 30 June 2014

	Adjusted operating profits 30 June 2015 £'000	Acquisition related items 2015* £'000	30 June 2015 £'000	Adjusted operating profits 30 June 2014 £'000	Acquisition related items 2014* £'000	30 June 2014 £'000
<b>Revenue</b>	4,706	-	4,706	4,198	-	4,198
Cost of sales	(661)	-	(661)	(548)	-	(548)
<b>Gross profit</b>	4,045	-	4,045	3,650	-	3,650
Administrative expenses	(3,270)	(189)	(3,459)	(2,826)	(128)	(2,954)
Results from operating activities	775	(189)	586	824	(128)	696
Financial income	4	-	4	4	-	4
Financial cost	(7)	(17)	(24)	-	(54)	(54)
<b>Profit before tax</b>	772	(206)	566	828	(182)	646
Tax expense	(128)	38	(90)	(180)	48	(132)
<b>Profit for the year</b>	644	(168)	476	648	(134)	514
<b>Other comprehensive income net of tax:</b>						
Currency translation differences	(14)	-	(14)	3	-	3
<b>Total comprehensive income for the year net of tax</b>	630	(168)	462	651	(134)	517

### Earnings per share – from continuing activities

<b>Basic</b>	<b>3.31p</b>	<b>2.45p</b>	<b>3.55p</b>	<b>2.82p</b>
<b>Diluted</b>	<b>3.16p</b>	<b>2.34p</b>	<b>3.41p</b>	<b>2.72p</b>

\* see accounts note 5

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31 December 2014

	Adjusted operating profits 31 Dec 2014 £'000	Acquisition related items 2014* £'000	31Dec 2014 £'000
<b>Revenue</b>	8,625	–	8,625
Cost of sales	(1,108)	–	(1,108)
<b>Gross profit</b>	7,517	-	7,517
Administrative expenses	(5,697)	(418)	(6,115)
Results from operating activities	1,820	(418)	1,402
Financial income	6	-	6
Financial cost	(2)	(101)	(103)
<b>Profit before tax</b>	1,824	(519)	1,305
Tax expense	(240)	80	(160)
<b>Profit for the year</b>	1,584	(439)	1,145
<b>Other comprehensive income net of tax:</b>			
Currency translation differences	(8)	-	(8)
<b>Total comprehensive income for the year net of tax</b>	1,576	(439)	1,137

## Earnings per share – from continuing activities

<b>Basic</b>	<b>8.56p</b>	<b>6.18p</b>
<b>Diluted</b>	<b>8.23p</b>	<b>5.95p</b>

\* see accounts note 5



## 4. Segment reporting

	<i>6 Months ended 30 June</i>		<i>Year ended</i>
	<i>2015</i>	<i>2014</i>	<i>31 Dec</i>
	<i>£'000</i>	<i>£'000</i>	<i>2014</i>
			<i>£'000</i>
<b>Revenue</b>			
Dillistone Systems	2,306	2,302	4,557
Voyager Software	2,400	1,896	4,068
Total revenue	4,706	4,198	8,625

## Results by division

	<i>6 Months ended 30 June</i>		<i>Year ended</i>
	<i>2015</i>	<i>2014</i>	<i>31 Dec</i>
	<i>£'000</i>	<i>£'000</i>	<i>2014</i>
			<i>£'000</i>
<b>Results from operating activities</b>			
Dillistone Systems	480	698	1,168
Voyager Software	392	228	649
	872	926	1,817
Central	(97)	(102)	3
Amortisation of acquisition intangibles	(189)	(128)	(418)
Result from operating activities	586	696	1,402

## Geographical segments

The following table provides an analysis of the Group's revenues by geographical market.

	<i>6 months ended 30 June</i>		<i>Year ended</i>
	<i>2015</i>	<i>2014</i>	<i>31 Dec</i>
	<i>£'000</i>	<i>£'000</i>	<i>2014</i>
			<i>£'000</i>
UK	3,805	3,308	6,859
US	676	593	1,198
Australia	225	297	568
	4,706	4,198	8,625



## 4. Segment reporting (continued)

### Business Segment

The following table provides an analysis of the Group's revenues by products and services.

	<b>6 months ended 30 June</b>		<b>Year ended</b>
	<b>2015</b>	<b>2014</b>	<b>31 Dec</b>
	<b>£'000</b>	<b>£'000</b>	<b>2014</b>
Recurring	3,257	2,861	5,929
Non recurring	1,202	1,129	2,285
Third party revenues	247	208	411
	<u>4,706</u>	<u>4,198</u>	<u>8,625</u>

Recurring income includes all support services, software as a service income (SaaS) and hosting income. Non-recurring income includes sales of new licenses, and income derived from installing those licenses including training, installation, and data translation. Third party revenues arise from the sale of third party software.

## 5 Acquisition related items

	<b>6 months ended 30 June</b>		<b>Year ended</b>
	<b>2015</b>	<b>2014</b>	<b>31 Dec</b>
	<b>£'000</b>	<b>£'000</b>	<b>2014</b>
Estimated change in fair value of contingent consideration	-	-	(9)
Amortisation of acquisition intangibles	189	128	286
Fees relating to acquisition	-	-	141
	<u>189</u>	<u>128</u>	<u>418</u>
Unwinding of discount on contingent consideration	17	54	101
	<u>206</u>	<u>182</u>	<u>519</u>



## 6 Tax

	<b>6 months ended 30 June</b>		<b>Year ended</b>
	<b>2015</b>	<b>2014</b>	<b>31 Dec</b>
	<b>£'000</b>	<b>£'000</b>	<b>2014</b>
Current tax charge	103	175	200
Deferred tax charge	25	5	40
Deferred tax re acquisition intangibles	(38)	(48)	(80)
<b>Total</b>	<b>90</b>	<b>132</b>	<b>160</b>

The tax charge is impacted by the higher rates of corporation tax payable in the US and Australia offset by the R&D tax credits available to both Dillistone Systems and Voyager Software. Deferred tax has been provided at 20%.

## 7. Dividends

The Board has decided to pay an interim dividend of 1.35 p per share (2014: 1.3p) on 19 November 2015 to holders on the register on 16 October 2015. Shares will trade ex-dividend from 15 October 2015.

## 8. Earnings per Share

	<b>6 months ended 30 June</b>		<b>Year ended</b>
	<b>2015</b>	<b>2014</b>	<b>31 Dec</b>
<b>Basic earnings per share</b>			<b>2014</b>
Profit attributable to ordinary shareholders	£476,000	£514,000	£1,145,000
Weighted average number of shares	19,434,115	18,275,120	18,512,594
Basic earnings per share (pence)	<u>2.45</u>	<u>2.82</u>	<u>6.18</u>
<b>Diluted earnings per share</b>			
Profit attributable to ordinary shareholders	£476,000	£514,000	£1,145,000
Diluted weighted average number of shares	20,337,715	19,009,475	19,243,357
Diluted earnings per share (pence)	<u>2.34</u>	<u>2.72</u>	<u>5.95</u>



## **9. Related party transactions**

The Company has a related party relationship with its subsidiaries, its directors, and other employees of the Company with management responsibility. There were no transactions with these parties during the period outside the usual course of business.

There were no transactions with any other related parties.