For Immediate Release 5 September 2017

BELVOIR!

BELVOIR LETTINGS PLC
(the "Company" or "Belvoir")

Interim Results for the six months ended 30 June 2017

Belvoir Lettings PLC (AIM: BLV), the UK's largest property franchise, is pleased to announce interim results for the six months ended 30 June 2017.

Financial Highlights

- Group revenue up 15% to £4,921,000 (H1 2016: £4,293,000)
- 47% increase in Management Service Fees (MSF) to £3,796,000 (H1 2016: £2,580,000)
- 62% increase in profit before tax to £1,731,000 (H1 2016: £1,071,000)
- H1 results reflect full six months period beneficial impact of Northwood acquired on 7 June 2016 and the franchising out of six corporate offices since 30 June 2016
- Basic earnings per share of 4.1p (2016: 2.6p) and adjusted earnings per share of 5.0p (H1 2016: 3.5p)
- Interim dividend of 3.4p, consistent with prior year with dividend cover now at 1.2 (H1 2016: 0.7)

Operational Highlights

- Seven new franchise owners joining the Group into two new and five existing territories
- Twelve franchisee-led acquisitions adding £1,732,000 of network revenue and £188,000 recurring MSF income
- Lettings to sales ratio of 81:19 (H1 2016: 73:27) reflects lettings bias of Northwood
- Number of offices nationwide of 300 (H1 2016: 306) across four networks
- Acquisition of Brook Financial Services Ltd (Brook) on 12 July 2017 to provide mortgage, insurance and other financial services to the Group

Dorian Gonsalves, Chief Executive Officer of Belvoir Lettings, commenting on the results, said:
"The Group has been focused on meeting our franchisees entrepreneurial growth ambitions and putting them in the very best possible position to maximise their market share within their territory. Our franchisees have embraced the opportunity to develop their business under our Assisted Acquisitions programme, many of them doubling the size of their business overnight, and from offering additional services such as property sales and financial services. The acquisition of Brook in July will provide further opportunity for growth at both the franchisee and franchisor level.

"In H1 the Group achieved organic growth from MSF, our key revenue stream, of 4% which is higher than the reported rental index within the sector, and continued growth from property sales, in a market that has seen some mixed results from other companies in the sector.

"Our ability to outperform the market has helped to deliver a strong set of first half results, and with a promising start to the second half, Belvoir is on track to meet management expectations for the year."

For further details:

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

About Belvoir Lettings PLC

Founded in 1995 and listed on AIM in 2012 (BLV.L), Belvoir operates a nationwide property franchise group with 300 offices across four brands offering a range of specialist services in property rental, property management, residential lettings, buy to let and property sales. With its Central Office in Grantham, Lincolnshire, the Group manages over 57,000 properties and reported revenue of £9.9m in 2016 making Belvoir the largest property franchise group in the UK.

Belvoir's core revenue is derived from Management Service Fees (MSF); a reliable recurring revenue model through which the Group offers franchisees significant support and advice.

In 2015 Belvoir launched its multi-brand franchising strategy and now owns Newton Fallowell Limited in the East Midlands, Goodchilds Estate Agents and Lettings Limited in the West Midlands and Northwood GB Limited, a nationwide network. In total, the Group operates from 300 territories within the UK. In July 2017, the Group acquired Brook Financial Services Ltd, a mortgage broker and financial service provider.

The Company remains committed to diversifying its brand portfolio, utilising the Group's strong franchising expertise and infrastructure, in order to capitalise on a consolidating market.

Chief Executive's Report

It gives me great pleasure to report on the Group's interim results for the six months ended 30 June 2017.

Overview

The first six months of 2017 has seen further strategic progress driving profitable growth across the Belvoir Group. The emphasis has been on supporting our franchisees to strengthen their businesses in response to anticipated changes within the sector including the Government's intention to ban tenant fees. Our franchisees have responded positively with a further 17 Belvoir franchisees taking up property sales as part of their service offering, three Newton Fallowell sales-only franchisees embarking on a lettings service and twelve franchisees across the Group completing on local portfolio acquisitions under our Assisted Acquisitions programme.

Income from management service fees (MSF), our core revenue stream, increased by 47%. Whilst 40% reflects the full six month inclusion of Northwood acquired on 7 June 2016, the organic growth achieved at 4% exceeds the Belvoir Q2 rental index of 2.75% and demonstrates the Group's ability to outperform the market. In addition MSF was boosted by a further 3% due to the continued roll out of property sales by the lettings dominant Belvoir and Northwood networks and from the increased network revenue arising on the franchise-led portfolio acquisitions.

Market

Both the sales and the lettings markets being subject to challenging conditions. A shortage of housing stock available for sale has reduced activity in the sales market and the changes to the tax regime and stamp duty for buy to let landlords and the impending ban on tenant fees has caused some uncertainty in the lettings market. Notwithstanding the market conditions, Belvoir continues to perform well on both fronts.

Lettings and portfolio acquisitions

The beneficial impact of the Northwood acquisition is evident in the increased bias towards lettings with the lettings to sales ratio now at 81:19 (H1 2016: 73:27). The Board still sees lettings as a reliable and growing recurring revenue stream. In the first half of 2017, we proactively engaged with franchisees through a series of roadshows to outline how the Belvoir Central Office team could support franchisees to take advantage of consolidation within the sector by acquiring local lettings portfolios. In the year to date, twelve of our franchisees have benefitted from the Assisted Acquisitions programme increasing network revenue by £1,732,000 at a total deal cost of £2,117,000, of which £322,000 was funded by a Central Office loan. Together, these acquisitions will increase MSF by £188,000 in a full year and £83,000 in the current financial year.

As a result of organic growth and growth from portfolio acquisitions, the number of properties now managed by the Group increased by 6.7% to 57,637 (H1 2016: 54,000).

Property sales and financial services

In a market that saw mixed results for many established estate agents, Belvoir enjoys a clear upward trend in MSF from property sales with most of our Belvoir, Northwood and Goodchilds franchisees seeing sales as an opportunity to offer additional services, and our established estate agent Newton Fallowell continuing to dominate the market in which it operates. In order to maximise revenue from property sales, Belvoir acquired Brook Financial Services Ltd, a provider of mortgage and related financial services, in July 2017. Brook is able to deliver a more focused approach enabling materially greater penetration of Belvoir's client base which is expected to increase the financial services fees generated on property sales across all Group networks. The Group recognises the need to adapt to changes in the sector and is currently working towards an online self-service estate agency platform to be offered alongside our traditional estate agency service.

Strategic growth

Belvoir's strategy has always been to put its franchisees at the heart of its growth plans with the focus on supporting each and every franchisee to achieve their potential, supported by a professional and effective Central Office team. Since 2014 over 30 franchise owners have been supported by Belvoir in making a local portfolio acquisition, in many cases, as much as doubling the size of their business overnight. We have further such deals currently with lawyers and other opportunities under review which are expected to deliver similar growth in the second half of the year. Meanwhile the Group has demonstrated its capability to operate on a multi-brand basis leveraging its deep understanding of franchising and considerable experience of the property sector. The Board continues to evaluate opportunities for further significant consolidation within the sector at a larger scale.

Staff

I would like to take this opportunity to thank Mike Goddard for his remarkable stewardship of the Belvoir Group since he founded it in 1995, and in particular for his strategic vision over the past three years which has resulted in the Group more than doubling. In his ongoing role as Chairman, Mike will continue to provide that strategic input that has ensured Belvoir has been such a success. I am also grateful to Mike and my fellow Board members for their confidence in appointing me to lead the Group as its Chief Executive. As a team we have demonstrated how to build a Group based on the core principles of professionalism, excellent customer service and strong business ethics. In my new role as Chief Executive, I look forward to working with the Board and our team of staff, whose commitment and enthusiasm is much appreciated, to drive the Group forward.

Dividend

It is the current policy of the Board to gradually increase dividend cover and we are therefore recommending an unchanged dividend of 3.4p per share for the half year. This will be reviewed again at the end of the year.

Outlook

Having reported strong results in the first half of 2017, demonstrating clear strategic progress for the Group, I am pleased to further report that with a promising start to the second half of the year, Belvoir is making good progress and current year trading is in line with market expectations.

Belvoir will continue to provide a high quality support system to its franchisees including the provision of the necessary technology tools to enable them to adapt to a changing environment. Belvoir is well placed to take advantage of further consolidation in the property market for its franchise owners, and for the Group itself to continue to lead the overall property franchise market, by capitalising on its expertise as a franchisor.

Dorian Gonsalves
Chief Executive Officer

Financial Review

Revenue

Group revenue for the six months ended 30 June 2017 increased by 15% to £4,921,000 (H1 2016: £4,293,000) reflecting an increment of £1,134,000 from a full six months of trading of Northwood, acquired 7 June 2016, and a reduction of £541,000 following the franchising out of six corporate offices since June 2016.

MSF increased by 47% to £3,796,000 (H1 2016: £2,580,000) reflecting growth of 40% from the full period inclusion of Northwood, 4% from organic growth, 1.6% from growth in estate agency and 1.4% from franchisee-led acquisitions under the Belvoir Assisted Acquisitions programme.

Corporate offices contributed reduced revenue of £687,000 (H1 2016: £1,228,000) in line with the Group's strategy of building a pure franchise model. In the second half of 2016 four corporate offices were sold to franchisees and in the first quarter of 2017 the Devizes office was sold to a new Belvoir franchise owner and the Burton office as a second territory to an existing Belvoir franchise owner. In April, the Central Office team stepped in to caretake the Yardley and Solihull offices before handing over to a new franchise owner from September. Of the remaining four corporate offices, the two in Grantham will continue as corporate offices for the foreseeable future, whilst a franchise solution is being sought for the offices in Spalding and Cumbria. The reduction in revenue from corporate offices of £541,000 was offset by a reduction in operating costs of £570,000. Overall, corporate offices contributed EBITDA of £177,000 (H1 2016: £148,000).

Initial franchise fees and resales commissions contributed £115,000 (H1 2016: £163,000). During the period three new franchise owners joined the Belvoir Group and a further four completed their induction training in August giving a total of seven (2016: four) new franchise owners year to date. Of these, five have taken over an existing office and two are opening in new territories under our Enhanced Start programme which supports an incoming franchisee to acquire a local lettings agency to rebrand to one of the Group's networks.

Other income which includes income from financial services was £323,000 (H1 2016: £322,000). Following the acquisition of Brook in July 2017, the revenue stream from financial services is expected to increase going forward.

Administrative expenditure

Ongoing administrative expenses were unchanged at £3,154,000 (H1 2016: £3,148,000). The increased cost of operating Northwood of £524,000 was mitigated by the reduced cost of operating the corporate offices of £570,000.

In February, with the support of the Northwood senior management team, which is operating under an earn out period until May 2018, a restructuring of the Northwood cost base was carried out aimed at consolidating some of the functions at a group level and introducing some efficiencies into the operations. This gave rise to redundancy costs of £22,000, which have been reported as exceptional costs, and reduced overheads of £250,000 p.a. going forward.

Exceptional costs of £193,000 in H1 2016 relate to the acquisition of Northwood.

Deemed interest of £68,000 (H1 2016: nil) arose from the deferred consideration on Northwood.

Profit before taxation

Profit before taxation for the period was up 62% to £1,731,000 (H1 2016: £1,071,000) with adjusted profit before taxation up 52% to £2,062,000 (H1 2016: £1,354,000) before exceptional costs and amortisation of acquired intangibles.

Taxation

The effective rate of corporation tax for the period was 19.25% (H1 2016: 23.5%).

Profit after taxation
Profit after taxation for the period was up 71% to £1,398,000 (H1 2016: £818,000) with adjusted profit after taxation up 55% to £1,710,000 (H1 2016: £1,101,000).

Earnings per share
Basic earnings per share was 4.1p (H1 2016: 2.6p) based on an average number of shares in issue in the period of 34,412,826 (H1 2016: 31,061,678). As adjusted for exceptional costs and the amortisation of acquired intangibles, the adjusted basic earnings per share was up 43% to 5.0p (H1 2016: 3.5p).

Diluted basic earnings per share was 4.0p (H1 2016: 2.6p) and adjusted diluted earnings per share was 4.8p (H1 2016: 3.4p) based on an average number of shares in issue in the period of 35,351,225 (H1 2016: 32,000,077).

Dividends
In line with the Groups' policy to increase dividend cover, the Board is proposing an unchanged interim dividend for 2017 of 3.4p per share, payable to shareholders on 27 October 2017 based upon the register on 15 September 2017. The ex-dividend date will be 14 September 2017. The dividend cover is now at 1.2 (H1 2016: 0.7).

Cash flow
On an operational level, the Group is highly cash generative with net cash inflow from operations at £1,908,000 (H1 2016: £1,192,000) reflecting the enlarged Group. During the period there was a net inflow from the franchisee loan book of £268,000 (H1 2016: £99,000).

On 23 January 2017 the Company issued 803,284 new ordinary shares of one pence at a price of 116.67p each to the vendors of Northwood GB Limited in settlement of the initial consideration due under the terms of the acquisition. These shares are subject to a 12 month lock-in.

The other principal cash movements reported in the first half of 2016 reflected the acquisition of Northwood with the initial consideration of £8,000,000 being funded by means of additional bank lending of £6,000,000 and an equity fund-raise of £2,570,000.

Post period acquisition
In July 2017 the Group acquired Brook Financial Services Ltd for a total consideration of £2m which was satisfied by a £1.5 million cash payment from existing cash resources and the issue of £0.5 million new ordinary shares in Belvoir to the sole shareholder, Michelle Brook, which are subject of a three year lock in. Michelle Brook will continue working full-time as Managing Director of Brook.

Liquidity and capital resources
The Group had cash balances of £2,128,000 (H1 2016: £1,251,000) and a NatWest bank loan of £6,797,000 (H1 2016: £7,014,000). The loan is repayable £175,000 quarterly with a bullet repayment of £4.0m in March 2021. The Bank agreed to a repayment holiday for the June and September 2017 quarters to facilitate the acquisition of Brook Financial Services ltd in July 2017. These payments will be caught up in December 2017 and March 2018.

Financial position
The Group continues to operate from a sound financial platform generating sufficient cash from the operations of the enlarged Group to meet the interest and capital payable on the loan facility and dividends to shareholders. At the end of June 2017, the Group was comfortably inside its bank covenants with the debt service cover at 3.8 times. The Group maintains a franchisee loan book, currently at £4.8m (H1 2016: £4.4m), the capital repayments of which are used to give further financial assistance to franchisees under the Assisted Acquisitions programme to accelerate their growth and therein contribute towards increased Group revenue.

Louise George
Chief Financial Officer

Condensed Group Statement of Comprehensive Income

For the six months ended 30 June 2017

	Notes	**Unaudited Six months ended 30 June 2017 £'000**	Unaudited Six months ended 30 June 2016 £'000	Audited Year ended 31 December 2016 £'000
Continuing operations				
Revenue	2	**4,921**	4,293	9,940
Administrative expenses				
Non exceptional		**(3,154)**	(3,148)	(6,948)
Exceptional		**(22)**	(193)	(482)
		(3,176)	(3,341)	(7,430)
Operating profit		**1,745**	952	2,510
Loss on disposal of corporate outlets		**-**	-	(160)
Finance costs		**(104)**	(32)	(139)
Finance income		**158**	151	291
Exceptional deemed interest on contingent consideration		**(68)**	-	(93)
Profit before taxation		**1,731**	1,071	2,409
Taxation	4	**(332)**	(253)	(576)
Profit and total comprehensive income for the financial period		**1,399**	818	1,833
Profit for the period attributable to the equity holders of the parent company		**1,399**	818	1,833
Basic earnings per share from continuing operations	5	**4.1p**	2.6p	5.7p
Adjusted basic earnings per share from continuing operations	5	**5.0p**	3.5p	7.7p
Adjusted diluted earnings per share from continuing operations	5	**4.9p**	3.4p	7.4p

The accompanying notes form an integral part of these consolidated interim financial statements

Consolidated Statement of Financial Position

As at 30 June 2017

	Unaudited At 30 June 2017 £'000	Unaudited At 30 June 2016 £'000	Audited At 31 December 2016 £'000
Assets			
Non-current assets			
Intangible assets	**24,523**	27,904	24,772
Property, plant and equipment	**641**	793	657
Trade and other receivables	**4,800**	4,403	4,024
	29,964	33,100	29,453
Current assets			
Trade and other receivables	**1,704**	1,911	2,740
Cash and cash equivalents	**2,128**	1,251	1,591
	3,832	3,162	4,331
Total assets	**33,796**	36,262	33,784
Liabilities			
Non current liabilities			
Interest bearing loans and borrowings	**6,097**	6,639	6,270
Deferred consideration	**4,281**	6,121	4,281
Deferred tax	**2,024**	2,472	2,054
	12,402	15,232	12,605
Current liabilities			
Trade and other payables	**1,713**	1,635	1,239
Interest bearing loans and borrowings	**700**	375	692
Deferred consideration	**-**	1,254	1,068
Tax payable	**473**	322	849
	2,886	3,586	3,848
Total liabilities	**15,288**	18,818	16,453
Total net assets	**18,508**	17,444	17,331
Equity			
Shareholders' equity			
Share capital	**344**	336	336
Share premium	**11,511**	10,583	10,583
Share based payment reserve	**89**	60	76
Other components of equity	**162**	162	162
Merger reserve	**(5,774)**	(5,774)	(5,774)
Retained earnings	**12,176**	12,077	11,948
Total equity	**18,508**	17,444	17,331

The accompanying notes form an integral part of these consolidated interim financial statements

Consolidated Statement of Changes in Shareholders' Equity

For the six months ended 30 June 2017

	Share capital	Share premium	Share based payment reserve	Merger reserve	Other components of equity	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2016 (Audited)	305	7,379	51	(5,774)	162	12,298	14,421
Issue of equity share capital	31	3,204	-	-	-	-	3,235
Share based payments	-	-	9	-	-	-	9
Dividends	-	-	-	-	-	(1,039)	(1,039)
Transactions with owners	31	3,204	9	-	-	(1,039)	2,205
Profit and total comprehensive income for the six month period	-	-	-	-	-	818	818
Balance at 30 June 2016 (Unaudited)	**336**	**10,583**	**60**	**(5,774)**	**162**	**12,077**	**17,444**
Share based payments	-	-	16	-	-	-	16
Dividends	-	-	-	-	-	(1,144)	(1,144)
Transactions with owners	-	-	16	-	-	(1,144)	(1,128)
Profit and total comprehensive income for the six month period	-	-	-	-	-	1,015	1,015
Balance at 31 December 2016 (Audited)	336	10,583	76	(5,774)	162	11,948	17,331
Issue of equity share capital	8	928	-	-	-	-	936
Share based payments	-	-	13	-	-	-	13
Dividends	-	-	-	-	-	(1,171)	(1,171)
Transactions with owners	8	928	13	-	-	(1,171)	(222)
Profit and total comprehensive income for the six month period	-	-	-	-	-	1,399	1,399
Balance at 30 June 2017(Unaudited)	**344**	**11,511**	**89**	**(5,774)**	**162**	**12,176**	**18,508**

The accompanying notes form an integral part of these consolidated interim financial statements

Consolidated Statement of Cash Flows

For the six months ended 30 June 2017

	Notes	**Unaudited 30 June 2017 £'000**	Unaudited 30 June 2016 £'000	Audited 31 December 2016 £'000
Operating activities				
Cash generated from operating activities	**6**	**1,908**	1,192	2,946
Tax paid		**(250)**	(305)	(597)
		1,658	887	2,349
Investing activities				
Capital expenditure on property, plant and equipment		**(30)**	(66)	(80)
Corporate network acquisitions	**7**	**-**	(8,000)	(8,005)
Settlement of deferred consideration		**(988)**	(1,901)	(2,202)
Corporate office acquisitions		**-**	(31)	-
Working capital and cash introduced by companies acquired		**-**	232	243
Disposals of assets		**71**	7	797
Franchisee loans granted		**(75)**	(419)	(1,352)
Loans repaid by franchisees		**343**	518	938
Finance income		**153**	151	291
Net cash (used in) / from investing activities		**(526)**	(9,509)	(9,370)
Financing activities				
Finance costs		**(185)**	(68)	(185)
Funds advanced		**-**	7,000	7000
Loan repayments in the period		**(175)**	(1,000)	(1,000)
Proceeds from share issue		**936**	2,570	2,570
Share placing costs		**-**	(269)	(269)
Equity dividends paid		**(1,171)**	(1,039)	(2,183)
Net cash from / (used in) financing activities		**(595)**	7,194	5,933
Net change in cash and cash equivalents		**537**	(1,428)	(1,088)
Cash and cash equivalents at the beginning of the financial period		**1,591**	2,679	2,679
Cash and cash equivalents at the end of the period		**2,128**	1,251	1,591

Notes to the Interim Financial Statements

1 General information and basis of preparation

The financial information set out in these condensed consolidated interim financial statements for the six months ended 30 June 2017 and the comparative figures are unaudited.

They have been prepared taking into account the requirements of relevant accounting standards and the AIM rules. They do not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act and do not contain all the information required for full annual financial statements.

The statutory audited accounts for the year ended 31 December 2016 have been delivered to the Registrar of Companies in England and Wales. The Auditor's report on these accounts was unqualified and did not contain statements under Section 498 of the Companies Act 2006.

The condensed consolidated interim financial statements are presented in sterling, which is also the functional currency of the parent company.

Belvoir Lettings PLC is the group's ultimate parent company. The company is a Public Limited Company incorporated and domiciled in the United Kingdom.

The Group's registered office and principal place of business is The Old Courthouse, 60a London Road, Grantham, Lincolnshire, NG31 6HR. Its shares are listed on the AIM market of the London Stock Exchange.

The condensed interim financial statements for Belvoir Lettings PLC have been approved for issue by the Board of Directors on 4 September 2017.

Significant accounting policies

The condensed consolidated interim financial statements have been prepared under the historical cost convention. Being listed on the AIM of the London Stock Exchange, the company is required to present its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS's") as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The accounting policies have been applied consistently throughout the group for the purposes of preparation of these condensed consolidated interim financial statements.

Revenue recognition

Revenue represents income from management service fees (MSF), fees from the sale of franchise licences (initial franchise fees), commission on resales of franchised outlets, provision of training, and ongoing support of the franchisees.

MSF are invoiced to individual franchisees on a monthly basis in relation to a percentage of their turnover for any given month. They are recognised in the month in which the income is receivable.

Initial franchise fees are recognised upon signing of the contract as it is at this point that the new franchisee has a legal obligation to make good the terms of the contract. The initial fees are for the use of the brand along with initial training and support and promotion during the opening phase of the new office. As such the Group regards this as a separate initial transaction for which it has fulfilled its obligations.

Revenue also includes fees generated by outlets operated by the Group that are not franchises. These corporate offices invoice landlords on a monthly basis and so recognise the income during the period in which the work is carried out. Corporate revenue also arises from fees on property sales which are recognised by reference to the legal exchange date of the housing transaction as all obligations have been fulfilled at that point.

2 Segmental information

The Executive Board, as the chief operating decision maker, reviews financial information for and makes decisions about the Group's overall franchising business and has identified the operating segments to be that of property lettings franchising and owned operated lettings and estate agency outlets. Management do not report on a geographical basis and no customers represent greater than 10% of total revenue in either of the periods reported.

The segmental information is, therefore, the same as that set out in the consolidated statement of comprehensive income. The directors do not consider the presentation of gross profit within the Group statement of comprehensive income to reflect a true position of the Group's activities and core operations, which is that of a property letting franchisor. Therefore, the directors disclose operating profit as the key performance measure. The reported segment is consistent with the Group's internal reporting for performance measurement and resources allocation.

The directors believe there to be four material income streams which are split as follows:

	Lettings			Property sales			Total revenue		
	Unaudited H1 2017 £'000	Unaudited H1 2016 £'000	Audited FY 2016 £'000	**Unaudited H1 2017 £'000**	**Unaudited H1 2016 £'000**	Audited FY 2016 £'000	**Unaudited H1 2017 £'000**	**Unaudited H1 2016 £'000**	Audited FY 2016 £'000
Management service fees	**3,238**	2,142	5,405	**558**	**438**	1,026	**3,796**	**2,580**	6,431
Corporate owned outlets	**400**	636	1,205	**287**	**592**	1,110	**687**	**1,228**	2,315
	3,638	2,778	6,610	**845**	**1,030**	2,136	**4,483**	**3,808**	8,746
Initial franchise fees and resale commissions							**115**	**163**	368
Other income							**323**	**322**	826
							4,921	**4,293**	9,940

3 Dividends

The company will pay an interim dividend of 3.4p pence per share (£1,187,973) on 27 October 2017 to the shareholders on the register on 16 September 2017.

4 Taxation

Taxation has been calculated by applying the forecast full year effective rate of tax to the results for the period.

5 Earnings per share

Earnings per ordinary share have been calculated by dividing the profit after tax for the financial period, by the weighted average number of shares deemed to be in issue in the period under the pooling of interests method of accounting.

	Unaudited six months ended 30 June 2017	Unaudited six months ended 30 June 2016	Audited Year Ended 31 December 2016
Profit for the financial period (£'000)	**1,398**	818	1,833
*Adjusted profit for the financial period (£'000)	**1,710**	1,011	2,479
Weighted average number of ordinary shares – basic ('000)	**34,413**	31,062	32,376
Weighted average number of ordinary shares – diluted ('000)	**35,351**	32,000	33,314
Basic earnings per share	**4.1p**	2.6p	5.7p
Diluted earnings per share	**4.0p**	2.6p	5.5p
*Adjusted basic earnings per share	**5.0p**	3.5p	8.6p
*Adjusted diluted earnings per share	**4.8p**	3.4p	8.3p

*Adjusted for exceptional acquisition costs and amortisation of acquired intangibles.

6 Reconciliation of profit before taxation to cash generated from operations

	Unaudited 30 June 2017 £'000	Unaudited 30 June 2016 £'000	Audited 31 December 2016 £'000
Profit before taxation	**1,731**	1,071	2,409
Depreciation and amortisation charges	**321**	215	602
Finance costs	**104**	32	139
Finance income	**(158)**	(151)	(291)
Loss on disposal of corporate outlets	**-**	-	302
Deemed interest charge	**68**	-	93
Adjustment to deferred consideration	**-**	-	(2)
Share based payments	**13**	9	25
	2,079	1,176	3,277
Increase in trade and other receivables	**(68)**	(628)	(604)
Increase in trade and other payables	**(103)**	644	273
Cash generated from operations	**1,908**	1,192	2,946