For immediate release **5 September 2012**

BELVOIR!
the lettings specialist

BELVOIR LETTINGS PLC

(the "Company" or "Belvoir")

Interim Results for the six months ended 30 June 2012

Belvoir Lettings PLC (AIM: BLV), one of the UK's largest lettings franchises which recently listed on AIM, is pleased to announce its interim results for the six months ended 30 June 2012. The interim accounts are prepared using merger accounting principles. To ensure consistency of accounting treatment, the comparative figures include the results of the previous group holding company.

As part of Belvoir's IPO process, the Belvoir group underwent a reconstruction whereby Belvoir, a newly incorporated entity, became the new group holding company with effect from 16 February 2012. Kilima Holdings Limited ("Kilima") was the relevant holding company for Belvoir Property Management (UK) Limited prior to reorganisation ahead of the Company's IPO. As part of the IPO group reconstruction process, Kilima underwent a solvent liquidation and has therefore ceased trading.

Highlights

- Successful IPO on AIM on 19 February 2012 raising £6.2m net of expenses
- All 2012 performance targets to date were either met or exceeded
- 144 franchise outlets at 30 June 2012 with 4 further outlets attending induction training in August 2012 (At 31 December 2011 – 142)
- 5 significant acquisitions completed by Belvoir franchisees since IPO
- Revenue of £1.83m, an increase of 16.7% on the same six month period in 2011
- Excluding an exceptional charge relating to the costs of the Group's Admission to AIM, operating profit as a percentage of turnover was 48%
- Rental market continued to grow with an estimated 3 million private rented properties in England, representing 14% of all households
- Some 60% of private rental properties are believed to be owned by landlords who use lettings agents. Management expect this percentage to grow further
- Maiden interim dividend of 2.9 pence per share (H1 2011: nil)

Commenting on the results and the outlook, Dorian Gonsalves, Chief Executive Officer of Belvoir Lettings, said:

"Belvoir delivered a strong financial performance for the six month period to June 2012. All targets set were either achieved or exceeded in line with our forecasts. During the period we grew the franchise business from 142 to 144 franchise outlets and we anticipate the number of Belvoir offices to reach 150 by the end of 2012."

"Belvoir's debut on the AIM market of the London Stock Exchange in February this year will enable us to continue to expand the brand's national reach and strong market presence in the UK residential lettings market which is continuing to grow and remains strong. We remain committed to providing a professional and personal service designed to exceed the expectations of landlords and tenants."

"Looking ahead we have a strong pipeline for the remainder of 2012 and we expect to meet our expectations. The business continues to grow and increase its market share in a growth market and we are specifically looking to target the South East and London markets, which hold huge potential for Belvoir."

For further details:

Belvoir Lettings PLC **01476 584900**
Mike Goddard, Chairman
Dorian Gonsalves, Chief Executive Officer
Carl Chadwick, Finance Director

Seymour Pierce **0207 107 8000**
Guy Peters or Julian Erleigh, Corporate Finance
Katie Ratner, Corporate Broking

Buchanan **0207 466 5000**
Charles Ryland, Gabriella Clinkard

CHAIRMAN'S REPORT

The first six months of 2012 have been challenging yet exciting and successful and it has been a privilege for me to be Executive Chairman during these busy times for Belvoir.

Clearly the most significant event was the IPO on the London Stock Exchange AIM market in February. The listing was very successful with the share issue being oversubscribed creating a healthy aftermarket, a huge increase in public awareness of the company, and an overwhelming acceptance amongst the franchise network of the commitment of the Company to on-going investment, support and growth of the Belvoir network.

However, the most important news at this half year point is that Belvoir is either achieving or exceeding its targets in this buoyant but hugely competitive market. My other directors will report on the financial and operational details but in the key areas of franchise growth, Company profitability, and of course dividend policy, Belvoir is delivering on target. In addition, we are implementing the programme of acquisitions for franchise owners and for corporate ownership and a number have either been completed or are in the pipeline. We have introduced an updated fit-out, improving the look and feel of the shops, to ensure they are fresh, modern, and contemporary, and our on-going programme of audits and business development visits are proving successful and popular.

It has clearly been a busy six months but it is absolutely vital in a business model such as ours that we have a successful and happy network of franchise owners, corporate outlets and Central Office staff. It gives me great pleasure to report that these aspects are all in tip top order. But this does not come without a huge amount of support to the franchise owners, initial and on-going training and a massive commitment by everybody involved to take 'Brand Belvoir' forward to the public. I am therefore extremely thankful to our Chief Executive, Dorian Gonsalves, our Finance Director, Carl Chadwick, and our Non-Executive Director, Karen Bach, who have all been hugely influential in Belvoir's continuing success story. The greatest accolade must go to our franchise owners, their staff, and our own corporate outlets and staff, all of whom are interfacing with the public on a daily basis and who are instrumental in promoting the three cornerstones of 'Brand Belvoir': professionalism, specialism and customer service.

Belvoir continues to be a leading operator in the lettings industry and in the world of franchising and has won awards in the last six months in both arenas. Our Chief Executive has been invited to speak at a number of lettings seminars and I have been privileged to be re-elected to the policy board of the European Franchise Federation and to represent Great Britain at the World Franchise Council. These are prestigious appointments and illustrate the high standing that Belvoir has in the wider world and the fact that its success is recognised.

Looking forward, our pipeline of business for the rest of 2012 is healthy and should ensure that we continue to deliver to expectations. Belvoir continues to grow in all parts of the UK and is making a particular effort to penetrate better the London and South East markets which hold huge potential for Belvoir.

By all predictions the private rental sector should continue to grow as fundamental shifts in social behaviour lead to less home ownership and more renting whether through choice or circumstances. This provides on-going buoyancy for the foreseeable future for the rental market, and is one which is recognised by the government as an important contribution to the housing needs of the nation. Belvoir will continue to maximise its opportunities in this market. I am optimistic that our standing as a strong and resilient brand in both the rental and franchising markets together with our loyal and hardworking team of franchise owners and Central Office employees will ensure our future success in these exciting times.

MIKE GODDARD
EXECUTIVE CHAIRMAN

OPERATING REVIEW

Our business model:

Belvoir's business model is based on 'business format franchising' as defined and accredited by the British Franchise Association (the "BFA"). Offering a specialist residential letting service to landlords and tenants across England, Scotland, Wales and Northern Ireland we are well positioned to capitalise on the nationwide trend towards renting a property rather than buying a property. With a fully trained, motivated and committed franchise owner across our growing network of 144 franchised offices we have continued to increase our market share nationally. Acting on behalf of mainly private landlords with small portfolios we currently, as a group, manage around 23,000 privately rented properties and this figure continues to increase each month.

Future Potential of the Rental Market: (based on Savills and Rightmove Report March 2012):

- The total rental bill across the UK is expected to rise from £48 billion to £70 billion in 2016
- The biggest challenge is supplying rising demand, forecast to rise to one in five households by 2016 requiring an additional 1.1 million homes in the sector
- £200 billion investment is required over the next five years and only one quarter is expected to come from buy to let lending
- A step change in institutional investment in new build rental accommodation is needed to boost supply and this needs to be recognised by the planning system
- "The markets outside of London that show the highest potential returns are all located in the South East, where capital growth prospects are strongest"
- The report suggests "the average annual total return for residential property across the UK will be around 6.9% over the next 10 years. This rises to 8.2% in London and 7.7% in the South East. Large scale investors should be able to achieve higher double digit returns in these locations.

Trading Review:

At the time of our successful IPO on AIM on 19 February 2012 we raised £6.2m net of expenses. As part of the flotation, the Belvoir group underwent a reconstruction whereby Belvoir, a newly incorporated entity, became the new group holding company with effect from 16 February 2012.

All 2012 performance targets to date have either been met or exceeded.

At 30 June 2012 the network comprised 144 Belvoir offices with four further outlets due to open in the coming weeks. New locations include York, Weston Super Mare, Dunstable and Harborne, Birmingham.

Revenue of £1.83m demonstrated an increase of 16.7% on the same six month period in 2011. Excluding an exceptional charge relating to the costs of the Group's Admission to AIM, operating profit as a percentage of turnover was 48%.

Since 30 June there have been three completions of Company owned outlets – Pimlico, Lichfield and Burton which exceeds our forecast of increasing company owned outlets by two new units per year. Further opportunities continue to present themselves, which we will assess on an individual basis.

Since the IPO there have been five significant franchisee acquisitions of competing agents in Tunbridge Wells, Newcastle upon Tyne, Wellingborough, St Helens and Crewe. A number of additional franchisee acquisitions are in negotiation.

Operations:

Since the start of the year we have increased our number of support staff by over 20% to cater for increased business levels and the management of additional company owned outlets. No further human resources will be needed until early 2013 as more company owned outlets are acquired. Several internal promotions now form a strong tier of middle management which will deliver all aspects of our sales, support and operational model. This carefully planned transition means Directors are now more free to focus on the strategic performance of Belvoir Lettings PLC as well as the performance of the network as a whole.

On 1 May 2012 Belvoir launched a long term nationwide rebranding programme that will eventually see all stores fully rebranded to a contemporary look and feel which reflects our high level of service standards and innovative product set available to landlords.

In February 2012 we were awarded a contract for the full management of 250 residential properties which form part of the Belvoir Estate owned by the Duke and Duchess of Rutland. Although relatively modest in terms of our wider managed portfolio, this contract may lead to other similar contracts being brokered in the future. Since being awarded this contract the Belvoir Estate has passed additional management duties to our team as the Trustees of the Estate have been extremely pleased with the integration of their portfolio and the specialist service we have delivered to date.

Innovation:

We continue to invest in the development of new products for landlords. Two key initiatives are currently being trialled in a selection of Belvoir offices with a view to publicising and launching these new initiatives in early 2013. Research and development is viewed as a mutually beneficial partnership between franchisor and franchisee. We have a dedicated research and development committee comprising our internal staff as well as experienced and committed franchise owners.

Strategy:

When Belvoir Lettings PLC floated in February of this year, we announced a number of key targets and projects. We shared our business plans with our new investors, the franchise network and of course our internal team, who we knew would be critical to the success and achievement of this plan. Our strategic focus for 2012 and beyond in abbreviated terms is as follows:

- Open 15 new franchised outlets in areas where we do not currently have a Belvoir Office.
- Increase the number of company owned outlets by two additional outlets in 2012 and two more each year for the next three years.
- Maintain our existing strong underlying growth in turnover from franchised outlets.
- Assist franchise owners acquire 12 – 15 competing letting agencies and help integrate these businesses into existing Belvoir offices, thus substantially increasing turnover and profits for the franchise owners concerned and Belvoir Lettings PLC.

DORIAN GONSALVES
CHIEF EXECUTIVE OFFICER

FINANCIAL REVIEW

RESULTS

Revenue

Group revenue rose to £1.83m, an increase of 17% on the equivalent period in 2011, which was driven mainly by the underlying growth of 9.6% in the Management Service Fee (MSF) which is the charge levied across the whole portfolio of franchisees. Fees charged to new franchisees were £190k against an amount of only £67k last year which reflects the increasing recruitment of franchisees in line with the business plan. Five new franchises were added in the first six months with a further four attending the August 2012 induction course. We have closed three small franchises in the first six months but with these small portfolios transferring into central property management there will be no material loss of income.

Administrative expenses

Overall administrative expenses have risen by £249k over and above the equivalent six months to 30 June 2011. Direct expenses which largely arise when new franchises are started were £35k over last year, an increase of 56% as a result of five new franchises starting compared to three in the previous year as noted above. Wages and salaries were £26k higher than the previous year (9%) but did not build in accordance with the budget as a result of the flotation being later than originally anticipated. IT expenses were £17k over last year as new staff were equipped with computers and new equipment was deployed into the new corporately owned agencies, particularly Lichfield. Professional fees were £64k over last year but this includes £32k of continuing costs directly associated with being listed on AIM which is generating benefits elsewhere in the business. The largest single area of increased cost was £100k in the Grantham shop where we carried out a complete refit to showcase the new style shop fit referred to in the operating review. We also took one off costs relating to the Belvoir Estates contract which were expected but are justified by the significant increase in income generated. The variances against last year specifically discussed account for £242k of the £249k increase noted. For the whole of 2012 administrative expenses were forecast at £1.9m and in total the £943k incurred in the six months to June were very close to budget.

Operating profit before exceptional items

Operating profit before exceptional items was only budgeted to rise by £100k between 2011 and 2012 as the company geared up for expansion and took on the increased costs following flotation. At the six month stage it has risen by £14k (1.6%) and taking into account the one off costs of £100k taken in the Grantham shop the budget looks achievable.

Exceptional Items

Flotation costs of £359k have been taken to profit and loss account in accordance with IFRS accounting policies. The share based payment charge of £108k was taken to profit and loss account earlier than planned as the employee options had to be exercised prior to the reorganisation to the float. This did however generate a significant relief from corporation tax which partially explains the lower taxation charge.

Taxation

The use of an EMI scheme for the employee share options generates a one off tax deduction for companies when the options are exercised. In this case the value of the tax saved was £140k and this has helped to reduce the taxation which otherwise would have been a 24.5% charge.

Profit after taxation

In the six months to June profit after tax was £440k compared to £615k in 2011. At a superficial level there appears to be a concern over the cover for the dividend of £600k but Belvoir has sufficient brought forward reserves to pay the dividend. The principal reason for the reduced after tax profit was £467k of one off costs relating to the float, without which the dividend would have been comfortably covered. This timing of expenditure was always understood and allowed for in the business plan. In cash terms equity monies were raised and used to meet these one off costs. As a result of the on target performance the Company has the planned level of cash available to deliver the enhanced growth by way of acquisitions and the Directors therefore are able to pay the dividend as planned.

EARNINGS PER SHARE

Earnings per share for continuing operations was 2.4 pence for the period compared with earnings per share of 5.5 pence for the corresponding period in 2011. The corresponding figure for the whole of 2011 was 8.1 pence. We have included these notes as reporting earnings per share is one of the required items in an interim statement but we would warn information users to take care during this period where the number of shares in issue rose from 102 shares in Kilima the previous holding company to the 20,666,667 shares in Belvoir Lettings Plc following flotation. The value identified is very sensitive to the average shares in issue and this statistic cannot be expected to be very meaningful until periods with similar shares in issue are compared.

DIVIDEND

The directors are pleased to announce an interim dividend of 2.9 pence per share, which will be paid on 28 September 2012 to shareholders on the register on 14 September 2012. The shares are expected to be marked as ex-dividend on 12 September 2012.

This will be the first dividend to be paid since the Company's incorporation, and is in line with the Directors' stated intention to pursue a progressive dividend policy providing an attractive yield to shareholders. It would be incorrect to quote a yield as this would imply an annualised return but the dividend constitutes a 3.9% return on the 75p per share paid on flotation by new shareholders.

LIQUIDITY AND CAPITAL RESOURCES

In the current climate of growth in the lettings industry, the directors believe that there are significant opportunities for the expansion of the business by the acquisition of existing businesses. Accordingly, the directors believe that a strong balance sheet with adequate cash resources will enable the group to take advantage of opportunities as they arise.

Non-current debtors have increased by £220k in the period reflecting increased franchisee loans and £200k of loans to employees as a result of their early take up of the EMI shares. Debtors and other trade receivables have risen by £121k as a result of the increased level of debt due from franchisees in respect of the current month MSF and further franchisee loans (£56k). The employee loans are interest bearing and the overall returns generated by the policy of lending to franchisees to support acquisitions is typically generating returns of 20% overall.

The group had a cash balance of £3.2 million at 30 June 2012, compared with £0.9 million at 30 June 2011 and 31 December 2011. Borrowings totalled £1.475m at 30 June 2012, leaving Belvoir with net cash of £1.736m. The net cash inflow from operations was £0.57m excluding flotation costs of £0.36m. The cash inflow from investing activities amounted to £2.5 million, with an outflow from financing activities of £0.4 million.

Acquisition program

On 3 September the group acquired a lettings agency based in Pimlico which deals with high value properties in Belgravia and the surrounding areas. This acquisition together with the acquisitions of the businesses from the existing franchisees in Burton on Trent and Lichfield in August means that this part of the business plan is also on target, albeit two months later than originally planned.

CARL CHADWICK
FINANCE DIRECTOR

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Notes	**Unaudited six months to 30 June 2012 £'000**	Unaudited six months to 30 June 2011 £'000	Unaudited twelve months to 31 December 2011 £'000
CONTINUING OPERATIONS				
Revenue	2	**1,831**	1,568	3,351
Administrative expenses		**(943)**	(694)	(1,515)
OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS		**888**	874	1,836
Flotation costs		**(359)**	-	(331)
Share based payment charge		**(108)**	-	(63)
OPERATING PROFIT		**421**	874	1,442
Finance Costs		**(34)**	(39)	(102)
Finance income		**9**	5	13
PROFIT BEFORE TAX		**396**	840	1,353
Taxation		**44**	(227)	(466)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		**440**	613	887
Earnings per share (basic and diluted) from continuing operations		**2.4p**	5.5p	8.1p

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30 JUNE 2012

	Unaudited at 30 June 2012	Unaudited at 30 June 2011	Unaudited at 31 December 2011
	£'000	£'000	£'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	**38**	44	42
Property, plant and equipment	**424**	444	430
Trade and other receivables	**315**	95	87
	777	583	559
CURRENT ASSETS			
Trade and other receivables	**572**	451	458
Cash and cash equivalents	**3,211**	952	872
	3,783	1,403	1,330
TOTAL ASSETS	**4,560**	1,986	1,889
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	**207**	109	109
Share premium	**6,772**	-	-
Share-based payments reserve	**-**	-	63
Other components of equity	**162**	162	162
Merger reserve	**(5,774)**	(5,774)	(5,774)
Retained earnings	**188**	1,213	177
TOTAL EQUITY	**1,555**	(4,290)	(5,263)

LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities – borrowings Interest bearing loans and borrowings	**1,005**	793	1,230
Deferred tax	**10**	15	10
	1,015	808	1,240
CURRENT LIABILITIES			
Trade and other payables	**1,096**	396	685
Payable in consideration for shares	**-**	4,289	4,289
Financial liabilities – borrowings Interest bearing loans and borrowings	**470**	100	470
Tax payable	**424**	683	468
	1,990	5,468	5,914
TOTAL LIABILITIES	**3,005**	6,276	7,152
TOTAL EQUITY AND LIABILITIES	**4,560**	1,986	1,889

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Share capital £'000	Share premium £'000	Share-based payments reserve £'000	Other components of equity £'000	Merger Reserve £'000	Retained Earnings £'000	Total Equity £'000
Balance at 1 January 2011	109	-	-	162	(5,774)	749	(4,754)
Changes in equity							
Share based payments	-	-	63	-	-	-	63
Purchase of own shares	-	-	-	-	-	(904)	(904)
Dividends	-	-	-	-	-	(555)	(555)
Transaction with owners	-	-	63	-	-	(1,459)	(1,396)
Profit and total comprehensive income for the year	-	-	-	-	-	887	887
Balance at 31 December 2011	109	-	63	162	(5,774)	177	(5,263)
Changes in equity							
Share-based payment release	-	-	(171)	-	-	171	-
Share based payment	-	-	108	-	-	-	108
Issue of equity share capital	98	6,772	-	-	-	-	6,870
Dividends	-	-	-	-	-	(600)	(600)
Transaction with owners	98	6,772	(63)	-	-	(600)	6,207
Profit and total comprehensive income for the 6 month period	-	-	-	-	-	440	548
Balance at 30 June 2012	207	6,772	-	162	(5,774)	188	1,555

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2012

	Unaudited to 30 June 2012	Unaudited to 30 June 2011	Unaudited to 31 December 2011
	£'000	£'000	£'000
Cash flows from operating activities			
Profit before tax	**396**	840	1,353
Flotation costs	**359**	-	331
Depreciation and amortisation charges	**10**	21	34
Share-based payments charge	**108**	-	63
Finance costs	**34**	39	102
Finance income	**(9)**	(5)	(13)
	898	895	1,870
Increase in trade and other receivables	**(199)**	(108)	(105)
(Decrease)/increase in trade and other payables	**(128)**	92	226
Cash generated from operations	**571**	879	1,991
Tax paid	**-**	-	(408)
Net cash from operating activities	**571**	879	1,583
Cash flows from investing activities			
Interest paid	**(34)**	(39)	(102)
Interest received	**9**	5	13
Purchase of shares	**(4,296)**	-	-
Net proceeds of flotation	**6,513**	-	(331)
Net cash from investing activities	**2,192**	(34)	(420)
Cash flows from financing activities			
New loans in period	**-**	-	1,700
Loan repayments in the period	**(225)**	(234)	(1,128)
Loan granted	**(199)**	-	-
Share buyback	**-**	-	(904)
Equity dividends paid - Kilima	**-**	(255)	(555)
Net cash used in financing activities	**(424)**	(489)	(887)
Increase in cash and cash equivalents	**2,339**	356	276
Cash and cash equivalents at beginning of period	**872**	596	596
Cash and cash equivalents at end of period	**3,211**	952	872

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2012

1. Accounting policies

General information and basis of preparation

The financial information set out in these condensed consolidated financial statements for the six months ended 30 June 2012 and the comparative figures are unaudited. They have been prepared taking into account the requirements of IAS 34 Interim Financial Reporting and the AIM rules. They do not contain all the information required for full annual financial statements.

The financial information for the year ended 31 December 2011 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

The financial information has been prepared under the historical cost convention and in accordance with International Financial Reporting Standards adopted by the European Union ("IFRSs") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

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. Its registered office and principal place of business is The Old Courthouse 60a London Road, Grantham, Lincolnshire, NG31 6HR. Its shares are listed on the Alternative Investment Market.

The condensed consolidated interim financial statements have been approved for issue by the Board of Directors on 5 September 2012.

Significant accounting policies

The condensed consolidated interim financial statements have been prepared in accordance with the accounting policies adopted in the Belvoir Property Management (UK) Limited annual financial statements for the year ended 31 December 2011, except for the taxation policy where, for the purpose of the interim financial statements, the tax charge on underlying business performance is calculated by reference to the estimated effective rate for the full year adjusted for known adjustments.

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

As a common control business combination, this falls outside the scope of IFRS 3 and we have therefore developed an accounting policy based on the pooling of interest method. Under this method, the financial statements of the parties to the combination are aggregated and presented as though the combining entities had always been part of the same group.

Revenue recognition
Revenue represents income from the sale of franchise licences, provision of training and on-going support of the franchisees. Recharged income is recognised when costs are incurred. Service fees are invoiced to individual franchisees on a monthly basis in relation to a percentage of their turnover for any given month.

1. Accounting policies – continued

Revenue also includes fees generated by franchises operated within the company. These internal franchises invoice landlords on a monthly basis and so recognise the income during the period in which the work is carried out.

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 company regard this as a separate initial transaction for which they have fulfilled their obligations.

National Promotional Fund recharge is invoiced to franchise owners on a monthly basis and is calculated based on a percentage of the turnover of individual franchises. The fund is held internally (as agent for the franchise) for the purposes of promoting the brand to the benefit of all franchises. An element of the National Promotional Fund is recognised as income each month in respect of management fees for promoting the brand. No other element of receipt is recognised as revenue.

2. Revenue

As the chief operating decision maker reviews financial information for and makes decisions about the group's overall franchising business, the directors have identified a single operating segment, that of property lettings franchising. Management do not report on a geographical basis and no customers represent greater than 10% of total revenue in any of the periods reported. The directors believe there to be three material income streams which are split as follows:

	Unaudited to 30 June 2012 £'000	Unaudited to 30 June 2011 £'000	Unaudited to 31 December 2011 £'000
Management Service Fee	**1,353**	1,234	2,600
Own operated franchises	**219**	150	361
Initial fees and other income	**259**	184	390
	1,831	1,568	3,351

3. Dividends

The company will pay an interim dividend of 2.9 pence per share (£600,000) on 28 September2012 to the shareholders on the register on 14 September 2012.

4. Earnings per share

Earnings per ordinary share have been calculated on the basis of the result for the period after tax, divided by the weighted average number of shares deemed to be issued in the period under merger accounting principles. The calculation is based on 18,236,928 shares for the period to 30 June 2012, with 10,947,713 for the six month period to 30 June 2011 and for the twelve months to 31 December 2011.