14 August 2018

H&T Group plc
("H&T" or "the Group" or "the Company")

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2018

H&T Group plc today announces its interim results for the six months ended 30 June 2018. The Group financial statements have been prepared, as required, for the first time under IFRS 9 ('Financial Instruments – Recognition and Measurement').

John Nichols, H&T chief executive, said:

"We have made a solid start to the year due to the resilient nature of our product set and our digital initiatives.

Revenue is up £10.8m, across all key product segments. Profit before tax is up to £6.1m (H1 2017: £5.5m) on an IFRS 9 basis.

Steady pawnbroking growth, driven by increasing numbers of new customers and the continuing growth of the personal loans book, is pleasing. The personal lending book has increased by 19% since December 2017. We have maintained this growth, while ensuring we remain disciplined around our credit-risk management practices. The broadening of our product suite into lower APR categories has proven successful, with 54% of our personal lending now out of the High-Cost Short-Term credit category. This is important as we strive towards our vision of helping our customers to rebuild their credit rating.

We have further developed our digital platforms by upgrading and revamping our retail site, www.est1897.co.uk and our main H&T site. Our click-to-bricks retail and lending offering has been further expanded by introducing click-and-collect foreign currency. We will continue to invest in digital technology as we refine the pawnbroking model and leverage our store estate."

KEY FINANCIAL RESULTS

- Profit before tax up 10.9% to £6.1m (H1 2017: £5.5m)
- Basic EPS of 13.51p (H1 2017: 11.70p)
- Net pledge book, including accrued interest increased by 8.6% to £47.8m (30 June 2017: £44.0m)
- Personal Loan book increased 78.0% to £17.8m (30 June 2017: £10.0m)
- Net debt increased to £16.8m (30 June 2017: £11.5m) due to personal loan and other working capital increases
- Interim dividend of 4.4p (2017 interim: 4.3p)

OPERATIONAL HIGHLIGHTS

- Growth in pawnbroking customer lending and new customers
- Development of our Expert Eye valuation system
- Enhancement of the est1897.co.uk website with typically more than 2,000 high-end watches and jewellery pieces now available online or through click-and-collect
- Growth of our personal loan product, in part driven by increasing numbers of customers being offered our lower APR products

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INTERIM REPORT

Introduction

We have continued to achieve growth from all core revenue streams because of our ongoing focus on in-store execution excellence alongside our continuing development in digital technology. Bringing together enhanced digital offerings with our 182 stores is key.

The trading environment has become more challenging with high street footfall reductions and localised competitor activity.

We increased our store estate via an acquisition of a single site business and continue to offer high-end lending through our office in Bond Street, London.

IFRS 9

These statements have been prepared under IFRS 9 'Financial instruments', with prior periods restated. IFRS 9 introduced an expected loss model where impairment is recognised on initial recognition of a personal loan or pledge based on the probability and timing of default together with the expected loss. The impact on H1 2017 and H1 2018 results is summarised below.

Revenue less Impairment

	IFRS 9	*IAS 39*	*Change*
	£'000	*£'000*	*£'000*
6 months ended 30 June:		**2017**	
Pawnbroking	14,465	14,708	(243)
Personal Lending	1,849	2,184	(335)
			(578)
6 months ended 30 June:		**2018**	
Pawnbroking	16,182	15,471	711
Personal Lending	3,123	3,733	(610)
			101

We have placed comparatives on the H&T website at *https://handt.co.uk/about/investor-relations/reports/announcements* which explains the differences in accounting treatments between IAS 39 and IFRS 9 with the effect on full year 2017 as well as H1 2017 and H1 2018.

FINANCIAL RESULTS

The Group has reported profit before tax of £6.1m (H1 2017: £5.5m), a 10.9% increase, reflecting a good operational performance.

Gross profit increased by £5.4m, 14.5%, to £42.6m (H1 2017: £37.2m). The average H1 2018 gold price has decreased 2.6% to £958 per troy ounce for H1 2018 (H1 2017: £984).

Total direct and administrative expenses increased by £4.6m, 14.6%, to £36.1m (H1 2017: £31.5m). Of this increase, £2.1m relates to additional loan impairment charges, due to the change in IFRS 9 accounting treatment, and in line with the growth in the personal loan book. There has been £1.2m of cost increases because of store staff investment including the adoption of the living wage and increased London salary weighting and higher store operating costs, including higher utility costs and cash delivery expenditures. £0.6m of the uplift is associated with additional staffing and marketing costs associated with the personal loans growth. There has been £0.4m of one-off costs associated with staff settlement and recruitment fees and an increase of £0.3m in central staff costs.

The Group's balance sheet remains strong with net debt at £16.8m (30 June 2017: £11.5m) and a net debt to EBITDA ratio, calculated in accordance with bank covenant arrangements, of 0.97x (30 June 2017: 0.75x). The increased borrowings have principally been invested into working capital of the business, including growth of the personal loan book. The bank debt position is well within the covenant test of 3.0x. The Group has £9.0m of headroom available on its debt facility of £35.0m at 30 June 2018. We do not anticipate this position materially changing by year end.

Dividend

The Board has approved an interim dividend of 4.4 pence (2017 interim: 4.3 pence). This will be payable on 5 October 2018 to all shareholders on the register at the close of business on 7 September 2018.

REVEW OF OPERATIONS

Pawnbroking

Pawnbroking remains a core product for H&T and we are pleased to report that the gross pledge book increased to £47.8m, including accrued interest, (30 June 2017: £44.0m). This growth has been achieved because of the following factors:

- A consistently high redemption rate of 84%
- The continued growth in customer lending sourced via our appointed introducers and online marketing activity has increased our new customer count
- Our average number of customer visits has increased
- The quality-watch segment of the book has improved with the support of the Expert Eye system and additional specialist valuation staff which has driven a 25% increase in this category of lending

Pawnbroking revenue less impairment increased £1.7m to £16.2m (H1 2017: £14.5m) resulting in an annualised risk-adjusted margin (RAM) of 67.6% (H1 2017: 66.5%).

Pawnbroking summary:

6 months ended 30 June:		**Restated for IFRS 9**	
	2018	**2017 ***	**Change**
	£'000	**£'000**	**%**
Period-end net pledge book[1]	47,847	44,027	8.7%
Average monthly net pledge book	47,836	43,521	9.9%
Revenue less impairment	16,182	14,465	11.9%
Annualised Risk-adjusted margin[2]	*67.7%*	*66.5%*	

<u>*Notes to table*</u>

1 – Includes accrued interest

2 – Revenue less impairment as a percentage of average loan book

Pawnbroking scrap

Pawnbroking scrap produced gross profits of £1.0m (H1 2017: £1.2m) for the half year, on sales of £8.0m (H1 2017: £5.9m). The reduced margin from 20% to 13% is a result of the reduction in the gold price between H1 2017 and H1 2018.

Retail

Retail sales increased 7.2% to £16.4m (H1 2017: £15.3m) and gross profits increased by 1.7% to £6.0m (H1 2017: £5.9m). Margin at 36.6% (H1 2017: 38.6%) reflects an increased proportion of new items to supplement unredeemed pledge stock.

Improvements have been made to both our www.handt.co.uk and www.est1897.co.uk websites. We typically hold more than 2,000 high-end pre-owned watches and jewellery items on our website, available online via our own websites and www.chrono24.co.uk.

Further enhancements to our www.est1897.co.uk and to our Customer Relationship Management system are planned for H2 2018 as we ensure that the customer experience is as good as it can be.

Personal Loans

Net revenue increased 72.2% to £3.1m (H1 2017: £1.8m), and the loan book increased 79.1% to £17.8m (30 June 2017: £10.0m). The principal factor in the loan book growth has been the continuing development of the store business, supplemented by online and broker-to-store third-party relationships.

We have made progress in delivery of the longer-term strategy of helping our customers to rebuild their credit rating, with more customers obtaining access to one of the two lower interest rate and longer-term products launched in 2017. As a result, the proportion of loans that fall under the definition of high-cost short-term credit in H1 2018 fell to 50% (H1 2017 71%).

The proportionate growth in the loan book, with the average monthly net book having doubled on H1 2017, is higher than revenue growth. We do not anticipate this level of book growth to continue. The reduction in the annualised risk-adjusted margin to 37% (H1 2017: 44%) is the result of the increased proportion of new customers and repeat customers being offered our lower APR products. Returns and default levels are in line with management expectations for credit quality and collections performance.

Organic traffic to our website www.handt.co.uk continues to increase and we believe having a direct online loan offering and the ability to direct applicants from online into store is an important part of our growth strategy. The online loan book has increased from £0.9m to £1.1m since 30 June 2017 as we take a measured and prudent approach to our online lending scorecard.

Store lending remains the key driver for revenue growth, with the book having increased 85% since 30 June 2017.

We have continued to invest in our Customer Relations Management system so that we can more effectively engage with and redirect online and via broker loan enquiries to local branches where appropriate. The process of encouraging a potential customer from the website to a physical branch is an important component of our strategy, blending a digital offering with our store estate.

Personal Loans summary:

	6 months ended 30 June:		
	2018	**2017**	**Change**
	£'000	**£'000**	**%**
Period-end net loan book	17,757	10,013	77.3%
Average monthly net loan book	16,639	8,316	100.1%
Interest before impairment	10,566	6,672	58.4%
Impairment	(7,443)	(4,823)	54.3%
Revenue less impairment	3,123	1,849	68.9%
Annualised Risk-adjusted margin[1]	*37.5%*	*44.5%*	

Notes to table

1 – Revenue less impairment as a percentage of average loan book

Gold purchasing

Gold purchasing profits increased to £2.1m (H1 2017: £1.8m). The additional profit was mainly the result of increased volumes of gold scrapped, up 29.3% to £10.6m (H1 2017: £8.2m).

Typically, the impact of a decrease in gold price to purchasing profits is relatively short lived. There is a delay between purchasing gold in store and realising the value through the market; if the gold price falls during this period then margins are reduced. As the gold price stabilises, the rate that is paid for gold in store increases and we return to normal margins.

Other services

Total revenues from other services increased to £2.8m (H1 2017: £2.7m) with a £0.3m increase in Foreign Currency (FX) transaction profit offset by reductions in cheque cashing and Western Union income.

FX profit increased by 23% to £1.6m while the value of currency traded increased by 30%. This is a result of our strategy to ensure our rates remain competitive as we continue to raise customer awareness in the product. The product is relatively new to the business and we continue to optimise currency holdings in store, develop additional services such as the buy-back guarantee and improve customer awareness through development of marketing and point-of-sale materials, including digital boards. We have recently extended our online FX click-and-collect capability.

Buyback gross profits were flat at £0.8m. Customer transactions were down 19.5% on H1 2017, but the testing processes implemented during 2017 and reduction in the types of items we will accept has meant we are achieving improved value from disposition.

REGULATION

Assessing creditworthiness in consumer credit

In July 2017, the FCA published its consultation paper on changes to its rules and guidance on assessing creditworthiness in consumer credit. In particular they want to clarify:

- the distinction between affordability and credit risk
- the factors that should be used when deciding the proportionality of assessments
- the role of income and expenditure information
- the regulator’s expectations around firms’ policies and procedures

We have designed our Personal Loan policies and procedures to include a robust assessment both of affordability and creditworthiness, so we are well placed to ensure our compliance with the final policy statement from the FCA.

Our strategy to evolve the Personal Loans product to lower interest rates allows existing customers to move away from high-cost credit where possible. Ensuring that we adequately assess creditworthiness and affordability and customers are provided with loans they can afford is in the best interests of our customers and is a more sustainable product for our business.

STRATEGY AND OUTLOOK

The demand for small-sum, short-term cash loans remains strong. The Company continues to focus and seek strategies to grow its pawnbroking offering while expanding its unsecured lending product and retail offering by focusing on digital and online strategies to complement its store estate.

We will continue to work towards our vision of helping our customers to rebuild their credit history by expanding the proportion of them on products that falls outside high cost short term lending. We will achieve this by continuing to focus on operational effectiveness aligned with the training, development and progression of our valuable staff.

Current trading is in line with management’s expectations.

Interim Condensed Financial Statements

Unaudited statement of comprehensive income
For the 6 months ended 30 June 2018

	Note	6 months ended 30 June 2018 Total Unaudited £'000	6 months ended 30 June 2017 Total Unaudited Restated* £'000	12 months ended 31 December 2017 Total Restated* £'000
Revenue	2	68,486	57,706	124,689
Cost of sales		(25,915)	(20,529)	(46,567)
Gross profit	2	**42,571**	**37,177**	**78,122**
Other direct expenses		(28,783)	(25,413)	(53,440)
Administrative expenses		(7,341)	(6,052)	(12,233)
Operating profit	3	**6,447**	**5,712**	**12,449**
Investment revenues		3	-	-
Finance costs	5	(348)	(261)	(567)
Profit before taxation		**6,102**	**5,451**	**11,882**
Tax on profit	6	(1,126)	(1,193)	(2,400)
Total comprehensive income for the period		**4,976**	**4,258**	**9,482**
		Pence	**Pence**	**Pence**
Earnings per ordinary share - basic	7	**13.51**	**11.70**	**25.99**
Earnings per ordinary share - diluted	7	**13.45**	**11.67**	**25.88**

All results derive from continuing operations.

*IFRS 9 restated

Unaudited condensed consolidated statement of changes in equity

For the 6 months ended 30 June 2018

	Note	6 months ended 30 June 2018 Unaudited £'000	6 months ended 30 June 2017 Unaudited Restated* £'000	12 months ended 31 December 2017 Audited Restated* £'000
Opening total equity		99,689	92,768	92,768
Total comprehensive income for the period		4,976	4,258	9,482
Issue of share capital		523	337	907
Share option movement taken directly to equity		(13)	(18)	96
Dividends paid	9	(2,329)	(1,964)	(3,564)
Closing total equity		**102,846**	**95,381**	**99,689**

Unaudited condensed consolidated balance sheet

At 30 June 2018

	Note	At 30 June 2018 Unaudited £'000	At 30 June 2017 Unaudited Restated* £'000	At 31 December 2017 Restated* £'000
Non-current assets				
Goodwill		17,643	17,676	17,643
Other intangible assets		449	429	331
Property, plant and equipment		6,660	6,417	6,381
Deferred tax assets		1,373	1,168	1,313
		26,125	25,690	25,668
Current assets				
Inventories		33,035	33,175	34,102
Trade and other receivables		68,535	56,453	64,470
Other current assets		841	1,192	665
Cash and cash equivalents		9,272	9,496	8,676
		111,683	100,316	107,913
Total assets		137,808	126,006	133,581
Current liabilities				
Trade and other payables		(7,086)	(7,227)	(9,731)
Current tax liabilities		(726)	(1,163)	(1,038)
		(7,812)	(8,390)	(10,769)
Net current assets		**103,871**	**91,926**	**97,144**
Non-current liabilities				
Borrowings	4	(25,831)	(20,762)	(21,810)
Provisions		(1,319)	(1,473)	(1,313)
		(27,150)	(22,235)	(23,123)
Total liabilities		(34,962)	(30,625)	(33,892)
Net assets		**102,846**	**95,381**	**99,689**
EQUITY				
Share capital	8	1,883	1,860	1,872
Share premium account		27,153	26,082	26,641
Employee Benefit Trust share reserve		(35)	(35)	(35)
Retained earnings		73,845	67,474	71,211
Total equity attributable to equity holders of the parent		**102,846**	**95,381**	**99,689**

Unaudited condensed consolidated cash flow statement
For the 6 months ended 30 June 2018

	Note	6 months ended 30 June 2018 Unaudited £'000	6 months ended 30 June 2017 Unaudited Restated* £'000	12 months ended 31 December 2017 Restated* £'000
Cash flows from operating activities				
Profit for the period		4,976	4,258	9,482
Adjustments for:				
Investment revenues		(3)	-	-
Finance costs		348	261	567
Movement in provisions		6	(23)	(184)
Income tax expense		1,126	1,193	2,400
Depreciation of property, plant and equipment		1,160	1,231	2,428
Amortisation of intangible assets		72	101	200
Loss on disposal of fixed assets		81	124	69
Operating cash inflows before movements in working capital		7,766	7,145	14,962
Decrease/(increase) in inventories		1,112	(3,383)	(4,311)
(Increase)/decrease in other current assets		(176)	(344)	184
Increase in receivables		(3,756)	(3,946)	(11,982)
(Decrease)/Increase in payables		(2,590)	(1,869)	618
Cash generated from/(used in) operations		2,356	(2,397)	(529)
Income taxes paid		(1,512)	(1,144)	(2,508)
Debt restructuring cost		(34)	-	-
Interest paid		(279)	(207)	(456)
Net cash generated from/(used in) operating activities		531	(3,748)	(3,493)
Investing activities				
Interest received		3	-	-
Purchases of property, plant and equipment		(1,563)	(723)	(1,768)
Proceeds on disposal of trade		-	7	7
Acquisition of trade and assets of business		(569)	(21)	(21)
Net cash used in investing activities		(2,129)	(737)	(1,782)
Financing activities				
Dividends paid	9	(2,329)	(1,964)	(3,564)
Net increase in borrowings		4,000	6,000	7,000
Issue of shares		523	337	907
Net cash generated from financing activities		2,194	4,373	4,343
Net increase/(decrease) in cash and cash equivalents		596	(112)	(932)
Cash and cash equivalents at beginning of period		8,676	9,608	9,608
Cash and cash equivalents at end of period		**9,272**	**9,496**	**8,676**

Unaudited notes to the condensed interim financial statements
For the 6 months ended 30 June 2018

Note 1 Basis of preparation

The interim financial statements of the group for the six months ended 30 June 2018, which are unaudited, have been prepared in accordance with the International Financial Reporting Standards ('IFRS') accounting policies adopted by the group and set out in the annual report and accounts for the year ended 31 December 2017, except for the adoption of IFRS 9. The group does not anticipate any change in these accounting policies for the year ended 31 December 2018. As permitted, this interim report has been prepared in accordance with the AIM rules but not in accordance with IAS 34 "*Interim financial reporting*". While the financial figures included in this preliminary interim earnings announcement have been computed in accordance with IFRSs applicable to interim periods, this announcement does not contain sufficient information to constitute an interim financial report as that term is defined in IFRSs.

The financial information contained in the interim report also does not constitute statutory accounts for the purposes of section 434 of the Companies Act 2006. The financial information for the year ended 31 December 2017, prior to the restatement as a result of the adoption of IFRS 9, is based on the the statutory accounts for the year ended 31 December 2017. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

After conducting a further review of the group's forecasts of earnings and cash over the next twelve months and after making appropriate enquiries as considered necessary, the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half yearly condensed financial statements.

Unaudited notes to the condensed interim financial statements
For the 6 months ended 30 June 2018

Note 2 Segmental Reporting

2018 Revenue	Pawnbroking £'000	Gold purchasing £'000	Retail £'000	Pawnbroking scrap £'000	Personal Loans £'000	Other Services £'000	Consolidated for the 6 months ended 30 June 2018 £'000
External revenue	20,092	10,611	16,420	7,954	10,566	2,843	68,486
Total revenue	20,092	10,611	16,420	7,954	10,566	2,843	68,486
Gross profit	20,092	2,107	5,965	998	10,566	2,843	42,571
Impairment	(3,910)	-	-	-	(7,443)	-	(11,353)
Segment result	16,182	2,107	5,965	998	3,123	2,843	31,218
Other direct expenses excluding impairment							(17,430)
Administrative expenses							(7,341)
Operating profit							6,447
Investment revenue							3
Finance costs							(348)
Profit before taxation							6,102
Tax charge on profit							(1,126)
Profit for the financial year and total comprehensive income							4,976

2017 Revenue	Pawnbroking Restated* £'000	Gold Purchasing £'000	Retail £'000	Pawnbroking scrap £'000	Personal loans Restated* £'000	Other Services Restated* £'000	Consolidated for the 6 months ended 30 June 2017 Restated* £'000
External revenue	18,874	8,241	15,254	5,940	6,672	2,725	57,706
Total revenue	18,874	8,241	15,254	5,940	6,672	2,725	57,706
Gross profit	18,874	1,820	5,928	1,158	6,672	2,725	37,177
Impairment	(4,409)	-	-	-	(4,823)	-	(9,232)
Segment result	14,465	1,820	5,928	1,158	1,849	2,725	27,945
Other direct expenses excluding impairment							(16,181)
Administrative expenses							(6,052)
Operating profit							5,712
Investment revenues							-
Finance costs							(261)
Profit before taxation							5,451
Tax charge on profit							(1,193)
Profit for the financial year and total comprehensive income							4,258

Unaudited notes to the condensed interim financial statements (continued)
For the 6 months ended 30 June 2018

Note 2 Segmental Reporting (continued)

2017 Revenue	Pawnbroking Restated* £'000	Gold purchasing £'000	Retail £'000	Pawnbroking scrap £'000	Personal Loans Restated* £'000	Other Services Restated* £'000	For the year ended 2017 Restated* £'000
External revenue	38,465	17,651	35,407	11,696	15,574	5,896	124,689
Total revenue	38,465	17,651	35,407	11,696	15,574	5,896	124,689
Gross profit	38,465	3,397	12,859	1,931	15,574	5,896	78,122
Impairment	(9,167)	-	-	-	(11,679)	-	(20,846)
Segment result	29,298	3,397	12,859	1,931	3,895	5,896	57,276
Other direct expenses excluding impairment							(32,594)
Administrative expenses							(12,233)
Operating profit							12,449
Finance costs							(567)
Profit before taxation							11,882
Tax charge on profit							(2,400)
Profit for the financial year and total comprehensive income							9,482

Note 3 Operating profit and EBITDA
EBITDA

The Board consider EBITDA to be a key performance measure as the Group borrowing facility includes a number of loan covenants based on it.

EBITDA is defined as Earnings Before Interest, Taxation, Depreciation and Amortisation. It is calculated by adding back depreciation and amortisation to the operating profit as follows:

6 months ended 30 June 2018 Unaudited	6 months ended 30 June 2018 Unaudited Total £'000	6 months ended 30 June 2017 Restated* Unaudited Total £'000	12 months ended 31 December 2017 Restated* Audited Total £'000
Operating profit	6,447	5,712	12,449
Depreciation and amortisation	1,232	1,332	2,628
EBITDA	7,679	7,044	15,077

Note 4 Borrowings

	6 months ended 30 June 2018 Unaudited £'000	6 months ended 30 June 2017 Unaudited £'000	12 months ended 31 December 2017 Audited £'000
Long term portion of bank loan	26,000	21,000	22,000
Unamortised issue costs	(169)	(238)	(190)
Amount due for settlement after more than one year	25,831	20,762	21,810

Note 5 Finance costs

	6 months ended 30 June 2018 Unaudited £'000	6 months ended 30 June 2017 Unaudited £'000	12 months ended 31 December 2017 Audited £'000
Interest payable on bank loans and overdraft	294	213	472
Other interest	1	1	1
Amortisation of debt issue costs	53	47	94
Total finance costs	348	261	567

Unaudited notes to the condensed interim financial statements (continued)
For the 6 months ended 30 June 2018

Note 6 Tax on profit

The taxation charge for the 6 months ended 30 June 2018 has been calculated by reference to the expected effective corporation tax and deferred tax rates for the full financial year to end on 31 December 2018. The underlying effective full year tax charge is estimated to be 19% (six months ended 30 June 2017: 19.25%).

Note 7 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. With respect to the group these represent share options granted to employees where the exercise price is less than the average market price of the company's ordinary shares during the period.

Reconciliations of the earnings per ordinary share and weighted average number of shares used in the calculations are set out below:

	Unaudited 6 months ended 30 June 2018			**Unaudited (Restated*) 6 months ended 30 June 2017**			**(Restated*) 12 months ended 31 December 2017**		
	Earnings £'000	**Weighted average number of shares**	**Per-share amount pence**	**Earnings £'000**	**Weighted average number of shares**	**Per-share amount pence**	**Earnings £'000**	**Weighted average number of shares**	**Per-share amount pence**
Earnings per share - basic	4,976	36,832,563	13.51	4,258	36,383,440	11.70	9,482	36,479,426	25.99
Effect of dilutive securities									
Options	-	165,465	(0.06)	-	83,299	(0.03)	-	155,374	(0.11)
Earnings per share diluted	4,976	36,998,028	13.45	4,258	36,466,739	11.67	9,482	36,634,800	25.88

Unaudited notes to the condensed interim financial statements (continued)
For the 6 months ended 30 June 2018

Note 8 Share capital

	At 30 June 2018 Unaudited	At 30 June 2017 Unaudited	At 31 December 2017 Audited
Allotted, called up and fully paid (Ordinary Shares of £0.05 each)			
£'000 Sterling	1,883	1,860	1,872
Number	37,658,511	37,199,944	37,437,760

Note 9 Dividends

On 9 August 2018, the directors approved a 4.4 pence interim dividend (30 June 2017: 4.3 pence) which equates to a dividend payment of £1,657,000 (30 June 2017: £1,600,000). The dividend will be paid on 5 October 2018 to shareholders on the share register at the close of business on 7 September 2018 and has not been provided for in the 2018 interim results. The shares will be marked ex-dividend on 6 September 2018.

On 3 May 2018, the shareholders approved the payment of a 6.2 pence final dividend for 2017 which equates to a dividend payment of £2,329,000 (2016: £1,964,000). The dividend was paid on 1 June 2018.