shareplc:

INTERIM REPORT 2016

HIGHLIGHTS

2

STRATEGIC PARTNERSHIPS

4

NEW AWARDS

REVENUE

+1%

revenues increased (excluding interest)

2016	£6.7m
2015	£6.6m

ASSETS UNDER ADMINISTRATION

£3.4bn

new record level at the end of June 2016

2016	£3.4bn
2015	£2.8bn

MARKET SHARE

9.77%

market share increased (excluding interest)

2016	9.77%
2015	8.98%

chairman's statement

In tough market conditions, with subdued investor activity particularly ahead of the EU Referendum, Share has delivered robust trading results. Revenues at £7.2m and underlying profit before tax of £110,000 are in line with management expectations and reflect both the trading environment and the major investment that we commenced at the beginning of the year.

Significantly, the Group has continued to outperform its benchmark peer group* across a number of key performance indicators, including dealing commission and fee income. The Group's market share excluding interest against our peers increased to 9.77% in the first half up from 8.98% in 2015. Our market share of new ISA accounts opened in Q1 2016 also showed an encouraging uplift, to 4.94% from 4.74% in 2015. This helped to contribute to an overall increase in customer assets to £3.4bn at the end of June, which represents a rise of 20% and sets a new record high (2015: £2.8bn). This shows significant growth compared to the performance of the FTSE All Share index which increased by 2%.

The first half was strategically significant for us, since it marked the beginning of major investment in our technology systems and infrastructure. As previously reported, our objective is to transform aspects of our operations and service delivery, with new technology supporting innovation and new ways for us to engage with customers. Our transformation programme is now well underway and will continue over the remainder of the second half.

We are very pleased with the continued progress that we are making in signing strategic partnerships. In April, we announced that we had signed Heads of Terms for the provision of dealing services to a major financial services business and I am pleased to announce today that this new partner is Computershare. In June 2016, we reported that we were in advanced discussions and initial development work with a leading wealth management business. These services are expected to launch in early 2017. Both partnerships are expected to add materially to the Group's revenues and profits from 2017 onwards.

We were also delighted to secure four awards in the first half: Best Online Stockbroker 2016 from ADVFN International Financial Awards; Best Stockbroker 2016 and Best Customer Service 2016 both from Online Personal Wealth Awards, and Best for Fund / Stock Pickers from The Lang Cat Direct Platform Awards.

We are also very pleased to have been shortlisted as finalists in two categories at the forthcoming UK Customer Experience Awards in September 2016. These achievements continue to demonstrate our passionate commitment to customer service and to making investment in the stock market as easy and as straightforward as we can.

REVENUES

Total revenues in the first half were £7.2m (2015: £7.4m). However, excluding interest income, revenues were up 1% year-on-year to £6.7m from £6.6m. A detailed breakdown of revenues is below:

Dealing commission income

Income from commission increased by 0.5% year-on-year. This performance compares favourably both with our peer group, which experienced a decrease of 7% and with retail firms generally, where on-exchange trades decreased by 3% in H1 2016 compared to H1 2015, according to ComPeer estimates.

Fee income

Income from fees increased by 2% year-on-year. This represents a significant outperformance of our peer group, which experienced an 8% drop in fee income in the period. The 2015-2016 tax year saw another successful year for our Enterprise Investment Scheme ('EIS') and Business Property Relief ('BPR') administration business, which provides our core custody and dealing services to around 170 funds and 20 fund managers.

Interest income

Cash held on behalf of customers at 30 June 2016 was up 42% on the same period last year. This was partly due to the acquisition of accounts but also to customers switching into cash ahead of the EU Referendum. However, interest income reduced by 31% year-on-year. Interest income currently accounts for c.7% of Group revenues, which is significantly less than the peer group where interest represents over 20% of revenues and exceeds fee income. The decrease in our interest income reflects the limited appetite of banks (for regulatory reasons) to accept client money deposits, which is shown in reduced interest rates during 2015 and into 2016. A number of our peers, however, are part of larger banking entities and so can benefit from higher internal rates on money. We also believe that in response to the changes to the client asset rules, some of our peers are now using relatively higher risk counterparties than ourselves, where money can be placed at higher interest rates. Reflecting both these factors, interest income for the peer group increased by 25%.

Although the Group generates relatively less of its revenue from interest income than its peers, the recent cut in UK interest rates (and any further reduction) will impact revenues in the second half and into 2017.

PROFITABILITY

The Group generated an operating loss of £668,000 in the first half (2015: loss of £83,000). Underlying profit before tax was £110,000 (2015: £608,000) and underlying earnings per share was 0.1p (2015: 0.4p) These underlying figures are stated after removing one-off items (as shown in note 6 below), including the partial sale of the Group's shares in the London Stock Exchange Group plc ('LSE') and non-cash share-based payment charges.

On a statutory basis, profit before tax increased to £190,000 (2015: £142,000) and statutory earnings per share were maintained at 0.1p per share (2015: 0.1p per share). As previously announced in June 2016, the Group sold 25,727 of its shares in the LSE realising a profit upon sale of £628,000.

COSTS

As expected, costs were higher year-on-year at £7.9m (2015: £7.5m). This reflected two factors. Firstly, our decision to strengthen our IT and Digital Marketing expertise, which resulted in an increase in overheads of c.5% and secondly, the increase in our transactional costs after we brought on board the Barclays certificated dealing service. We expect staff costs to increase somewhat in the second half of the year, as we see the full year effect of our recruitment both for our transformation programme and for our two new partnerships.

Our marketing spend in 2016 was lower than in 2015, reflecting our response to trading conditions.

CASH FLOWS AND BALANCE SHEET

Cash and cash equivalents increased to £16.1m at 30 June 2016 (2015: £12.1m). This reflected an increase in trading activity after the EU Referendum result. As a result, we temporarily held a larger than normal amount of cash in trust on behalf of customers, to complete settlement of outstanding trades with the market. With these trades settled, cash balances have returned to more typical levels and stood at £13.3m at the end of July.

During the period, a dividend of £1.1m was paid and the sale of shares in the LSE generated proceeds of £700,000. The Group now holds 120,000 LSE shares, as well as shares in Euroclear plc.

The Group is investing in its Digital Transformation programme. The IT development work undertaken in-house to deliver these new customer enhancements is now material and these costs, together with third party development costs, will be capitalised as an intangible asset and amortised over their useful economic life, in accordance with the recognition criteria of IAS 38. During the period, £27,000 of IT staff costs were capitalised.

The Group's balance sheet remains strong with shareholders' funds totalling £17.6m or 12.3p per ordinary share in issue. The Group continues to hold significant levels of capital over and above the levels required by the Financial Conduct Authority (FCA). As at 30 June 2016, the Group had capital resources of £16.8m, 3.3 times the requirement (2015: 5.4 times).

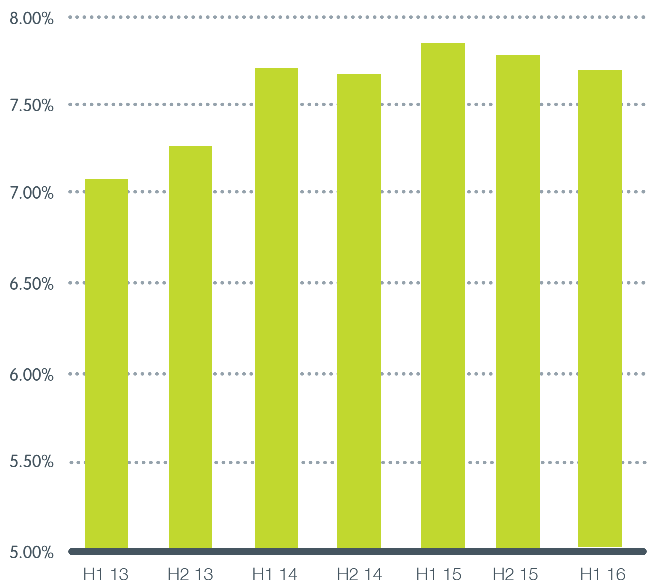
MARKET SHARE

The Group's performance relative to a peer group of eight other stockbrokers is surveyed monthly by ComPeer, an independent company which gathers and reports data on the wealth management sector. This benchmarking identifies whether or not our performance is exceeding that of our peers, irrespective of underlying market trends which affect the industry as a whole.

The latest data released by ComPeer shows that the Group's share of revenues in the first half of the year was 7.69% compared to 7.82% for the same period in 2015. However, excluding interest, our market share increased to 9.77% from 8.98% in 2015. For the second quarter of the year, the Group's revenue market share increased from 7.50% in the first quarter to 7.87% (Q2 2015: 8.16%). Excluding interest, our market share in the second quarter increased from 9.47% in the first quarter to 10.06% (Q2 2015: 9.65%).

Share has a more balanced revenue model than its peers, with a relatively lower proportion of its revenues generated from commission. Whilst this provides an insulating effect against quieter market conditions, it also means that in terms of its market share, the Group will not benefit to the same extent when trading volumes increase.

The Group outperformed its peers for dealing commission and fee income. Together these two revenue streams in the six months to 30 June 2016 increased by 1% compared to 2015, whilst our peers saw them fall by 7%.



(*) Benchmarked revenue peer group: Alliance Trust Savings, Barclays Stockbrokers, Equiniti, Halifax Share Dealing, HSBC Stockbrokers, Saga Personal Finance, Selftrade and TD Direct Investing.

DELIVERING OUR STRATEGY

The Group's growth strategy is underpinned by three core tenets: Putting Customers First, Focus on Core Business and Strategic Partnerships or Acquisitions.

Our programme to transform our digital proposition is a key aspect of Putting Customers First. Work is now well underway to deliver new customer enhancements, including a re-designed responsive website. In June, we launched our initial apps for Apple and Android mobile phones and will be adding functionality in subsequent releases. We also continue to take a lead in product innovation and we were one of the first in our market to make available the new flexible ISA functionality introduced by the Government.

In respect of Focus on Core Business, we are in the process of transferring our non-core Authorised Corporate Director to another party and this should complete later this year. Our three Fund of Funds remain a core part of our customer proposition and their respective performances remained strong despite market volatility. Funds under management have increased by 20% to over £60m since the end of 2015, with strong growth in net new monies.

We made significant progress in the first half with Strategic Partnerships or Acquisitions, with our second agreement with Barclays Bank plc, to acquire up to 3,000 nominee share dealing accounts previously serviced by Barclays Stockbrokers, going live in late February 2016. In the period, we also announced two other major partnerships as mentioned earlier in the report and we will continue to pursue appropriate opportunities for further Strategic Partnerships or Acquisitions.

OUTLOOK AND TRADING UPDATE

Our transformation programme will continue to be a major focus for us over the remainder of the second half of the year. When complete, we believe that Share's technology infrastructure will be market-leading and will underpin new ways for us to engage with customers as well as improve operational efficiency.

Trading activity has been positive since the EU Referendum and is somewhat ahead of the prior year, as investors who had deferred activity or held cash have returned to the market. This will be helpful to the performance of the Group but will be offset by the continuing costs of our transformation programme and lower interest rates which will be reflected in the Group's financial performance in the second half. In addition, we expect to start 2017 in a strong position as the benefits of our new strategic partnerships begin to flow.

Gavin Oldham
Chairman
10 August 2016

CONDENSED CONSOLIDATED INCOME STATEMENT

	NOTE	**HALF YEAR 30 JUN 2016 (UNAUDITED) £'000**	HALF YEAR 30 JUN 2015 (UNAUDITED) £'000	YEAR ENDED 31 DEC 2015 (AUDITED) £'000
Revenue		**7,224**	7,368	14,050
Administrative expenses		**(7,892)**	(7,451)	(14,944)
Operating loss		**(668)**	(83)	(894)
Investment revenues		**230**	223	276
Other gains		**628**	2	1,479
Profit before taxation		**190**	142	861
Taxation	5	**(56)**	(33)	(196)
Profit for the period		**134**	109	665
Basic earnings per share*	6	**0.1p**	0.1p	0.5p
Diluted earnings per share*	6	**0.1p**	0.1p	0.5p

All results are in respect of continuing operations.

* The Directors consider that the underlying earnings per share as presented in note 6 represents a more consistent measure of the underlying performance of the business as this measure excludes one-off items of income or expense.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	HALF YEAR 30 JUN 2016 (UNAUDITED) £'000	HALF YEAR 30 JUN 2015 (UNAUDITED) £'000	YEAR ENDED 31 DEC 2015 (AUDITED) £'000
Profit for the year	**134**	109	665
Items that me be classified subsequently to profit or loss:			
(Losses)/gains on revaluation of available-for-sale	**(262)**	332	982
Deferred tax on (losses)/gains on revaluation of available-for-sale investments taken to equity	**53**	(66)	194
Exchange gains/(losses) on available-for-sale investments taken directly to equity	**446**	(356)	(238)
Deferred tax on exchange gains/(losses) on available-for-sale investments taken directly to equity	**(89)**	71	47
	148	(19)	597
Items that have been re-classified to profit or loss:			
Gains on revaluation of available-for-sale investments taken to profit and loss on disposal	**(628)**	-	(1,723)
Deferred tax on revaluation of available-for-sale investments taken to profit and loss on disposal	**125**	-	344
	(503)	-	(1.379)
Net loss recognised directly in equity	**(355)**	(19)	(782)
Total comprehensive income/(loss) for the period	**(221)**	90	(117)
Attributable to equity shareholders	**(221)**	90	(117)

CONDENSED CONSOLIDATED BALANCE SHEET

	NOTE	**HALF YEAR 30 JUN 2016 (UNAUDITED) £'000**	HALF YEAR 30 JUN 2015 (UNAUDITED) £'000	YEAR ENDED 31 DEC 2015 (AUDITED) £'000
Non-current assets				
Intangible assets		**855**	70	117
Property, plant and equipment		**212**	223	222
Available-for-sale investments		**7,124**	9,050	7,637
Deferred tax assets		**127**	172	107
		8,318	9,515	8,083
Current assets				
Trade and other receivables		**34,328**	16,090	7,978
Cash and cash equivalents	7	**16,148**	12,075	11,663
Current tax asset		**-**	138	75
		50,476	28,303	19,716
Total assets		58,794	37,818	27,799
Current liabilities				
Trade and other payables		**(39,785)**	(17,277)	(7,681)
Current tax liabilities		**(58)**	-	-
		(39,843)	(17,277)	(7,681)
Net current assets		**10,633**	11,026	12,035
Non-current liabilities				
Deferred tax liabilities		**(1,335)**	(1,650)	(1,418)
Total liabilities		**(41,178)**	(18,927)	(9,099)
Net assets		**17,616**	18,891	18,700
Equity				
Share capital		**718**	718	718
Capital redemption reserve		**104**	104	104
Share premium account		**1,064**	1,064	1,064
Employee benefit reserve		**(1,983)**	(2,002)	(2,010)
Retained earnings		**12,910**	12,635	13,309
Revaluation reserve		**4,803**	6,372	5,515
Equity shareholders' funds		**17,616**	18,891	18,700

This condensed set of financial statements was approved by the Board on 9 August 2016

Signed on behalf of the Board

Gavin Oldham

Chairman

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL £'000	CAPITAL REDEMPTION RESERVE £'000	SHARE PREMIUM ACCOUNT £'000	EMPLOYEE BENEFIT RESERVE £'000	RETAINED EARNINGS £'000	REVALUATION RESERVE £'000	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY £'000
Balance at 1 January 2015 (audited)	718	104	1,064	(805)	13,550	6,106	20,737
Prior year adjustments	-	-	-	-	(60)	-	(60)
Balance at 1 January 2015 (restated & audited)	718	104	1,064	(805)	13,490	6,106	20,677
Total comprehensive income/(loss) for the period	-	-	-	-	(176)	266	90
Dividends	-	-	-	-	(878)	-	(878)
Purchase of ESOP shares	-	-	-	(1,575)	-	-	(1,575)
Sales of ESOP shares	-	-	-	192	-	-	192
Cost of matching and free shares in SIP	-	-	-	93	(93)	-	-
Profit on sale of ESOP shares and dividends received	-	-	-	93	(68)	-	25
Share-based payment credit	-	-	-	-	274	-	274
Deferred tax on share-based payment	-	-	-	-	18	-	18
Share-based payment current year taxation	-	-	-	-	8	-	8
Balance at 30 June 2015 (unaudited)	718	104	1,064	(2,002)	12,575	6,372	18,831
Total comprehensive income/(loss) for the period	-	-	-	-	650	(857)	(207)
Purchase of ESOP shares	-	-	-	(274)	-	-	(274)
Sales of ESOP shares	-	-	-	118	-	-	118
Cost of matching and free shares in SIP	-	-	-	122	(122)	-	-
Profit on sale of ESOP shares and dividends received	-	-	-	26	(56)	-	(30)
Share-based payment credit	-	-	-	-	277	-	277
Deferred tax on share-based payment	-	-	-	-	(19)	-	(19)
Share-based payment current year taxation	-	-	-	-	4	-	4
Balance at 31 December 2015 (audited)	718	104	1,064	(2,010)	13,309	5,515	18,700
Total comprehensive income/(loss) for the period	-	-	-	-	491	(712)	(221)
Dividends	-	-	-	-	(1,019)	-	(1,019)
Purchase of ESOP shares	-	-	-	(249)	-	-	(249)
Sales of ESOP shares	-	-	-	111	-	-	111
Cost of matching and free shares in SIP	-	-	-	125	(125)	-	-
Profit on sale of ESOP shares and dividends received	-	-	-	40	(61)	-	(21)
Share-based payment credit	-	-	-	-	308	-	308
Deferred tax on share-based payment	-	-	-	-	6	-	6
Share-based payment current year taxation	-	-	-	-	1	-	1
Balance at 30 June 2016 (unaudited)	718	104	1,064	(1,983)	12,910	4,803	17,616

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	NOTE	**HALF YEAR 30 JUN 2016 (UNAUDITED) £'000**	HALF YEAR 30 JUN 2015 (UNAUDITED) £'000	YEAR ENDED 31 DEC 2015 (AUDITED) £'000
Net cash from/(used in) operating activities	8	**5,464**	230	(2,104)
Investing activities				
Interest received		**28**	40	69
Dividend received from trading investments		**144**	136	207
Purchase of property, plant and equipment		**(51)**	(28)	(85)
Purchase of available-for-sale investments		**(3)**	(65)	(65)
Purchase of intangible investments		**(778)**	(17)	(74)
Proceeds of disposal of available-for-sale investments		**700**	-	1,936
Proceeds of disposal of property, plant and equipment		**-**	2	2
Net cash received from investing activities		**40**	68	1,990
Financing activities				
Equity dividends paid	9	**(1,019)**	(878)	(878)
Net cash used in financing		**(1,019)**	(878)	(878)
Net increase/(decrease) in cash and cash equivalents		**4,485**	(580)	(992)
Cash and cash equivalents at the beginning of the period		**11,663**	12,655	12,655
Cash and cash equivalents at the end of the period		**16,148**	12,075	11,663

NOTES TO THE PRELIMINARY ANNOUNCEMENT

1 BASIS OF PREPARATION

The financial information included in this announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. However, this announcement does not itself contain sufficient information to comply with IFRS. The financial information contained in these Interim Financial Statements does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Group's published full financial statements comply with IFRS. A copy of the statutory accounts for the year ended 31 December 2015 has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

The following standards, amendments and interpretations have been issued with the corresponding implementation date, subject to EU endorsement in some cases:

- Amendments to IFRS 10, 12 and IAS 28 Investment Entities: Applying the Consolidation Exception, 1 January 2016
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations, 1 January 2016
- IFRS 14 Regulatory Deferral Accounts, 1 January 2016
- Amendments to IAS 1 Disclosure Initiative, 1 January 2016
- Amendments to IAS 16 and 38 Clarification of Acceptable Methods of Depreciation and Amortisation, 1 January 2016
- Amendments to IAS 27 Equity Method in Separate Financial Statements, 1 January 2016
- AIP IFRS 5 Non-current Assets Held for Sale and Discontinued Operations – changes in methods of disposal, 1 January 2016
- AIP IFRS 7 Financial Instruments: Disclosures – Servicing contracts, 1 January 2016
- AIP IFRS 7 Financial Instruments: Disclosures – Applicability of offsetting disclosures to condensed interim financial statements, 1 January 2016
- AIP IAS 19 Employee Benefits – Discount rate: regional market issue, 1 January 2016
- AIP IAS 34 Interim Financial Reporting – Disclosure of information 'elsewhere in the interim financial report', 1 January 2016
- Amendments to IAS 7 Disclosure Initiative, 1 January 2017
- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses, 1 January 2017
- IFRS 15 Revenue from Contracts with Customers, 1 January 2018
- IFRS 9 Financial Instruments, 1 January 2018
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions, 1 January 2018
- IFRS 16 Leases, 1 January 2019

The impact of future standards and amendments on the financial statements is being assessed by the Group and the Company.

The Group accounts consolidate the financial statements of the Company and its subsidiaries, The Share Centre Limited, The Share Centre (Administration Services) Limited, The Shareholder Limited, and Sharefunds Limited, which all make up their financial statements. Other subsidiaries are not included in the Share plc consolidation as they are not trading and not material to the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these condensed financial statements.

2 ACCOUNTING POLICIES

The same accounting policies, presentation and methods of computation are followed in this condensed set of financial statements as applied in the Group's latest annual audited financial statements.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Allowance for bad debts

The Group makes a provision for the element of fees which it believes will not be recovered from customers. This is based on past experience and detailed analysis of the outstanding fees position particularly with regard to the value of customers' portfolios relative to the fees owed.

Fair value of investments

The Group currently holds investments in the London Stock Exchange Group plc, Euroclear plc, WAY Group Limited, Professional Partners Administration Limited (demerged from WAY Group Limited during 2014), Alpha Prospects Limited and EiRx Therapeutics plc. These are held as available-for-sale financial assets and are measured at fair value at the balance sheet date. London Stock Exchange Group plc shares trade in an active market and the fair value is readily determined by market price. The Euroclear plc shares do not trade in an active market, although eligible shareholders were invited to participate in buy-backs. A view of fair value is therefore formed based on the weighted average price following the latest buy-back and the net asset value of the business adjusted for liquidity considerations. WAY Group Limited shares were carried at cost as the shares are not publicly traded and there is no other means of determining a reliable and timely fair value based on the limited publicly available information. The company is currently loss-making and this investment may be worth materially less than cost, therefore the shares are now held at their nominal value of 1p per share.

Alpha Prospects Limited and Professional Partners Administration Limited are held at cost and cost (less a small discount) respectively. EiRx Therapeutic plc shares are carried at nil value given the financial position of the company and their recent history. The Consort Capital (formerly Investbx Limited) has been dissolved and therefore is no longer held as an investment.

Share-based payments

The Company's shares have traded on AIM since May 2008 and ceased trading on Asset Match from 22 December 2014. This provides a market price to help determine the fair value of equity-settled share-based payments but, in addition to this, estimations are made as to price volatility, risk-free interest rate and expected life. These estimations enable the Black-Scholes model to then be used to determine the fair value of these equity-settled share-based payments.

Internally-generated intangible assets

The Group's activities do not typically give rise to internally generated intangible fixed assets. An internally-generated intangible asset is recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

In so far as any internally generated intangible assets are recognised, these would be amortised over their useful economic lives.

The Group is investing in its Digital Transformation programme. The internal IT development work undertaken to deliver new customer enhancements, together with all external third party development costs will be capitalised within Intangible Assets. Amortisation will start on each capitalised phase of the programme once it is complete, on a straight-line basis over a useful economic life of five years.

Impairment

The assets on the balance sheet are reviewed for any indications of impairment. This is done with reference to the recoverability and market value of the assets concerned but may involve an element of judgement or estimation in determining whether there are any indications of impairment and the extent of any impairment loss.

4 BUSINESS AND GEOGRAPHICAL SEGMENTS

IAS 34 Interim Financial Reporting requires disclosure of segment information within the interim report as the Group is required to disclose segment information in its annual financial statement under IFRS 8 Operating Segments.

	THE SHARE CENTRE		SHAREFUNDS		TOTAL	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000	**2016 £'000**	2015 £'000
Revenue	**6,833**	7,034	**391**	334	**7,224**	7,368
Operating (loss)/profit	**(761)**	(155)	**93**	(72)	**(668)**	(83)

It should be noted that the accounting policies of the reportable segments are the same as the Group's accounting policies and that there were no major customers contributing more than 10% of revenues in the Group as a whole.

5 TAXATION

Tax for the six month period is charged at 20% (six months ended 30 June 2015: 20.25%), representing the best estimate of the average annual effective tax rate expected for the full year. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. In 2016 this is 20% (2015: 20%).

6 EARNINGS PER SHARE

	HALF YEAR 30 JUN 2016 (UNAUDITED) £'000	HALF YEAR 30 JUN 2015 (UNAUDITED) £'000	YEAR ENDED 31 DEC 2015 (AUDITED) £'000
Earnings:			
Earnings for the purpose of basic and diluted earnings per share, being net profit attributable to equity holders of the parent company	**134**	109	665
Other gains and loses	**(628)**	-	(1,723)
FSCS levies	**228**	259	478
Share based payments	**308**	274	551
One-off Board changes (recruitment and related costs)	**-**	-	73
One-off redundancy/termination costs	**-**	-	58
One-off adjustment to available-for-sale investment valuation	**-**	-	246
Profit share impact of the above adjustments	**12**	(67)	40
Taxation impact of the above adjustments	**78**	(39)	167
Earnings for the purposes of underlying basic and diluted earnings per share	**132**	536	555

	Number ('000)	Number ('000)	Number ('000)
Number of shares:			
Weighted average number of ordinary shares	**145,135**	145,384	145,147
Non-vested shares held by employee share ownership trust	**(5,903)**	(5,857)	(5,917)
Basic earnings per share denominator	**139,232**	139,527	139,230
Effect of potential dilutive share options	**4,102**	4,342	4,312
Diluted earnings per share denominator	**143,334**	143,869	143,542
Basic earnings per share (p)	**0.1**	0.1	0.5
Diluted earnings per share (p)	**0.1**	0.1	0.5
Underlying (basic and diluted) earnings per share (p)	**0.1**	0.4	0.4

7 CASH AT BANK AND IN HAND

	HALF YEAR 30 JUN 2016 (UNAUDITED) £'000	HALF YEAR 30 JUN 2015 (UNAUDITED) £'000	YEAR ENDED 31 DEC 2015 (AUDITED) £'000
Cash and cash equivalents	**27**	10,118	10,881
Cash held in trust for clients (a)	**16,121**	1,957	782
	16,148	12,075	11,663

(a) This amount is held by The Share Centre Limited in trust on behalf of clients but may be used to complete settlement of outstanding bargains and dividends due.

Cash and cash equivalents increased to £16.1m at 30 June 2016 (2015: £12.1m). The increase in cash can be attributed to the short term impact of the EU Referendum result, which resulted in an increase in trading activity. As a result, the Group temporarily held a larger than normal amount of cash in trust on behalf of customers, to complete settlement of outstanding trades with the market. With these trades settled, the Group's total cash balances have returned to more typical levels and stood at £13.3m at the end of July, including £3.1m held in trust.

At 30 June 2016 segregated deposit amounts held by the Group on behalf of clients in accordance with the client money rules of the Financial Conduct Authority amounted to £295.1m (30 June 2015: £207.6m). The Group has no beneficial interest in these deposits and accordingly they are not included on the balance sheet.

8 CASH FLOW

Reconciliation of operating profit to net cash inflow from operating activities

	HALF YEAR 30 JUN 2016 (UNAUDITED) £'000	HALF YEAR 30 JUN 2015 (UNAUDITED) £'000	YEAR ENDED 31 DEC 2015 (AUDITED) £'000
Operating loss	**(668)**	(83)	(894)
Other losses including ESOP	**(159)**	(1,359)	(1,544)
Depreciation of property, plant and equipment	**61**	54	111
Amortisation of intangible assets	**40**	11	21
Share-based payments	**308**	274	551
Operating cash flows before movement in working capital	**(418)**	(1,103)	(1,755)
(Increase)/decrease in receivables	**(26,350)**	(7,692)	442
Increase/(decrease) in payables	**32,104**	8,925	(769)
Cash generated by operations	**5,336**	130	(2,082)
Income taxes received/(paid)	**128**	100	(22)
Net cash from/(used in) operating activities	**5,464**	230	(2,104)

Included in other losses are the cash cost of acquiring shares on the exercise of share options under the companies' share schemes and Share Incentive Plan (SIP) matching shares of £159,000 (six months ended 30 June 2015: £1,359,000). In June 2015, Sharesecure Limited (a Trustee of the Employee Benefit Trust) purchased 3.7m shares for £1.2m as part of Gavin Oldham's secondary offer of shares.

9 DISTRIBUTION TO SHAREHOLDERS

	HALF YEAR 30 JUN 2016 (UNAUDITED) £'000	HALF YEAR 30 JUN 2015 (UNAUDITED) £'000	YEAR ENDED 31 DEC 2015 (AUDITED) £'000
2015 Final Dividend paid in current year of 0.74p per ordinary share (2014: 0.62p)	**1,063**	891	891
Less amount received on shares held via ESOP	**(44)**	(13)	(13)
	1,019	878	878

10 SHARE BASED PAYMENTS

The Group continues to grant share options under Company Share Ownership Plan (CSOP) at six-monthly intervals and discretionary grants to senior managers and directors as deemed appropriate by the Board Remuneration and Nomination Committee. In addition, the Group has an Unapproved Share Option Scheme and a Co-ownership Equity Incentive Plan. There are numerous options still outstanding on the Enterprise Management Incentive (EMI) scheme. All options expire ten years after the date of grant and, with the exception of some options granted under the unapproved share option scheme, the vesting period for options is three years.

In respect of the Co-ownership Equity Incentive Plan, the shares are jointly held with the Employee Benefit Trust. The individual recipients are able to sell the shares concerned between three and ten years after the grant date and benefit from the excess of the sales price at that time over and above the price specified in the Co-ownership agreement. That price is set at a c.20% premium to the market price at the date of grant.

The Group has applied the requirements of IFRS 2 in respect of share-based payments. During the first half of the year ended 30 June 2016, the Group made one equity-settled share-based payment under the Group's CSOP scheme and unapproved share options to staff and directors of 459,555 shares on 9 June 2016. In all cases, all options have been granted with an exercise price equal to market value – being the closing mid-price on the day prior to grant. A fair value has been determined during the year using the Black-Scholes model. The main assumptions are as follows:

Grant date	**9 June 2016**
Share price at date of grant	28.5p
Exercise price	28.5p
Risk-free interest rate	0.5%
Dividend yield	1.0%
Volatility (based on historic share price movements)	30%
Average maturity at exercise	5 years
Fair value per option	**6.9p**

Details of the share options outstanding during the year are as follows:

	30 JUN 2016 NUMBER OF SHARE OPTIONS (UNAUDITED)	**30 JUN 2016 WEIGHTED AVERAGE EXERCISE PRICE (UNAUDITED) (P)**	31 DEC 2015 NUMBER OF SHARE OPTIONS (AUDITED)	31 DEC 2015 WEIGHTED AVERAGE EXERCISE PRICE (AUDITED) (P)
Outstanding at the beginning of the period	**11,001,527**	**26.0**	9,288,216	18.0
Granted during the period	**459,555**	**28.5**	2,606,391	36.9
Exercised during the period	**(200,211)**	**19.9**	(741,297)	23.1
Expired or forfeited during the period	**(326,873)**	**32.4**	(151,783)	32.7
Outstanding at the end of the period	**10,933,998**	**22.0**	11,001,527	22.0
Exercisable at the end of the period	**1,764,674**	**24.9**	1,822,175	26.0

The weighted average market share price at the date of exercise for options exercised during the first six months of 2016 was 27.2p (the first six months of 2015: 36.1p).

In addition the Group operates a SIP; further detail of this scheme is available from the Group's annual report and accounts.

The total expense for equity-settled share-based payments for the Group in respect of awards made in the first half of 2016 was £174,000 (six months ended 30 June 2015: £334,000). This expense is then applied across the vesting periods. An adjustment is made to this figure in respect of members of staff to whom options and shares have been granted but who have left the Group's employ during the vesting period. The overall net charge taken in the income statement for the first half of 2016 is £308,000 (six months ended 30 June 2015: £274,000).

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