18 September 2019

**Nakama Group plc**

("Nakama" or "the Group")

**Final results for the year ended 31 March 2019 & Notice of AGM**

Nakama Group plc (AIM: NAK), the AIM quoted recruitment consultancy working across the UK and Asia providing recruitment and related services for the web, interactive, digital media, IT and business change sectors, announces its final results for the year ended 31 March 2019, together with the publication of its audited report and accounts (the "Annual Report").

The Company expects to post its audited report and accounts for the year ended 31 March 2019 shortly. It is also posting notice of its annual general meeting ("Notice of AGM"), to be held at  the offices of Allenby Capital Limited, 5 St. Helen’s Place, London, EC3A 6AB on 17 October 2019 at 11.00 a.m. Copies of the final report and accounts and the Notice of AGM will also be available to view on the Company's website today, at [www.nakamagroupplc.com](http://www.nakamagroupplc.com).

Financial Highlights

* Group revenue decreased by 20.2per cent. to £13.4m (2018: £16.8m)
* Net fee income reduced by 22.6 per cent. to £4.1m (2018: £5.3m)
* Net fee income percentage decreased to 30.8 per cent. (2018: 31.6 per cent.)
* Operating profit increased to £91,000 (2018: loss £1,480,000)

All references to notes in this announcement are to the notes to the financial statements contained in the Annual Report and Accounts.

|  |  |
| --- | --- |
| **Enquiries:**  **Nakama Group plc** | www.nakamaglobal.com |
| Tim Sheffield, Chairman | 00 44 20 7236 2400 |
| Rob Thesiger, CEO | 00 44 20 3588 4560 |
|  |  |
| **Allenby Capital Limited** (Nominated Adviser & Broker) | 00 44 20 3328 5656 |
| Nick Naylor / Nicholas Chambers |  |

**Notes to Editors:**

Nakama Group plc is a recruitment group of two branded solutions placing people into specialist and management positions:

* Nakama operates in the digital, creative, media, marketing and technology sectors all over the world from offices in the UK and Asia; and
* the Highams brand specialises in the Financial Services sector, specifically Business Change and IT in Insurance and Wealth Management currently in the UK and Europe.

Nakama Group plc was created in October 2011 through the acquisition of Nakama Ltd UK and its subsidiaries in Hong Kong and Singapore by AIM listed Highams Systems Services Group plc.

**CHAIRMANS STATEMENT**

**Strategy**

Nakama Group’s strategy is to support the talent acquisition programmes of high growth companies across multiple industries. We provide permanent and contract recruitment solutions to a broad range of clients across Europe and Asia Pacific geographies.

Our competitive advantage is that our teams have deep domain knowledge in the areas of digital, creative, technology, analytics, data, marketing and project/change management. It is the strategy of the Board and management team to be a leading international specialist staffing company, delivering a quality service to our customers and candidates whilst creating a sustainable business for the long-term benefit of all stakeholders.

After a difficult period for the Company, over the past year, the business has undergone further change and transformation.

The primary objective of the executive management team is to focus on delivering acceptable returns for shareholders and better position the Company to take advantage of the considerable opportunities in the sectors in which we operate.

During the trading period, the Group has become more disciplined in its financial management and more focused on improving its core operating business. This resulted in the closure of the Sydney and Melbourne offices and refocusing our energies on UK, and Asia Pacific regions. There are currently no new offices planned for the next financial year as the Board intends to continue improving the performance of existing operations.

**Financial**

The Group revenue for the year ended 31 March 2019 was lower by 20.2% compared to the prior year at £13.4m (2018: £16.8m) and Net Fee Income (“NFI”) was 22.6% lower at £4.1m (2018: £5.3m). This reduction in revenue was primarily as a result of the closure of our activities in Australia. Although we are disappointed not to increase revenues, the significant improvement in EBITDA to £424,000 (2018: Loss £845,000) is in line with our turnaround strategy and provides a stronger base to begin the next financial year.

**Executives and staff**

After a year of consolidation, in April 2019, the Company appointed Rob Thesiger as Group Chief Executive. Rob’s experience and knowledge of the staffing sector brings significant expertise to the business and enables us to begin the process of carefully rebuilding our revenues and improving profitability.

Rob is building a unified management team, responsible for delivering growth and profitability in the offices where we now operate. Each office has clear goals and budgets to achieve, and we expect to see further improvement at both top and bottom line. Any priority investment will be concentrated around improving and expanding our core services. The Group has several experienced consultants, however, in order to deliver improved returns for shareholders, specific performance metrics have been implemented and new consultants recruited where necessary.

**Outlook**

Trading so far this year has been in line with expectations, however, exceptional costs will be incurred as we continue the restructuring of some local offices. Attracting strong talent and building a higher performance culture takes time and therefore we remain cautious on increasing operating profit margin. Our objective is to continue to focus on financial discipline and improving revenues and profit margins over the year ahead.

This has been a difficult journey for the Company and our teams across the Group have worked hard to reposition the business onto a more positive footing. I would like to thank our valued members of staff for their contribution to the business and I look forward to working with the Board and management team to deliver further positive outcomes in the next financial year.

Tim Sheffield

Chairman

18 September 2019

**CEO’s REPORT**

**Financial review**

|  |  |  |
| --- | --- | --- |
|  | **2019**  **£’000** | 2018  £’000 |
| Revenue | **13,408** | 16,792 |
| NFI (Net fee income) | **4,134** | 5,311 |
| EBITDA\* | **424** | (845) |
| Operating profit/(loss) for the financial year | **91** | (1,425) |
| Profit from discontinued operations | **266** | (537) |
| Profit/(loss) for the financial year before tax | **354** | (1,480) |
| Net current assets/(liabilities) | **176** | (231) |
| Equity | **202** | (139) |
| Earnings/(loss) per share | **0.27p** | (1.29)p |

\*EBITDA – Earnings before interest, tax, depreciation and amortisation.

Group revenue for the year ended 31 March 2019 decreased by 20.2% and Net Fee Income (“NFI”) decreased on the prior year by 22.6%. This was a result of APAC revenue decreasing to £3.0m from £5.3m last year and UK revenues decreasing to £10.4m from £11.5m in FY 2018. The decrease in both markets was predominantly due to a slowdown in the contractor market, which is explained in more detail in the Operational Review below.

The NFI percentage has decreased to 30.8% (2018: 31.6%). The slight decrease in NFI percentage is due to a slight drop in contractor margins, due to change in mix of permanent and temporary placements which have different margins.

The EBITDA of £424,000 for the year (2018: loss £845,000) was mainly as a result of good performance at Highams Recruitment and Nakama Hong Kong in addition to general cost reductions. Nakama Singapore and Nakama Limited made substantial losses which offset most of the profit made by Highams Recruitment and Nakama Hong Kong. The year-end balance sheet shows borrowings decreased from £1.2m to £438,000, this is due to a lower requirement for invoice finance as contractor revenue slowed down during the period as a result of quitting the Australian market.

There was an operating profit for the year of £91,000 (2018: loss of £1,425,000). There was also profit from discontinued operations in Australia which were derived from the write backs of liabilities following the liquidations of Nakama Sydney and Nakama Melbourne totalling £315,000 (2018: Nil) The Group has seen a gain on foreign exchange of £24,000 (2018: loss £72,000) due to the strengthening of sterling against the other currencies in the markets the Group has been trading in.

The Directors are not recommending the payment of a dividend for the year.

**UK operations**

The London unit continued to see existing markets come under pressure from in-house recruitment teams, recruitment process outsourcing (RPO) and managed service providers. The market continues to become more heavily brokered and fragmented and the ability to generate value in traditional digital sectors has been eroded. The business has attempted to diversify its recruitment offerings into data and analytics as well as show a decreasing reliance on digital agencies as a client base, where it has been difficult to create value. Throughout the year staff turnover has continued to be an issue. However, with the appointment of a new London Manager, we have been able to maintain a more stable team in the second half of the year.

In contrast, the Highams business, which is already highly specialised in its services and client base (insurance market – project focus) had a pleasingly profitable year further consolidating its position as a recruitment partner of choice across General Insurance, Life & Pensions and Asset Management markets. There are also real opportunities for the London Nakama business to leverage off these relationships and thus grow our UK footprint further.

The UK operations have yet to experience any significant impact due to the pending Brexit timetable. The senior managers continue to discuss this with clients and candidates alike in order to be prepared for any potential downturns that may be experienced.

**APAC Operations**

Trading conditions in the APAC region remained challenging throughout the year and after a full review of our operating activities the decision was made to cease trading in Australia entirely which saw the closure of the Sydney office following the earlier closure of the Melbourne office. This decision was made in light of the office continuing to underperform in an increasingly challenging market.

The offices in Hong Kong and Singapore saw further staff retention challenges which has resulted in headcount reducing further. However, with renewed focus on our core markets we have recruited some highly experienced consultants thus providing stability, particularly in Hong Kong.

The Singapore office continues to face hiring challenges due to the increased competition, however, we are confident that we can hire experienced consultants who will further complement our existing staff. Singapore focuses on the South East Asian corridor into Malaysia and Thailand. Hong Kong continues to build market share and has experienced higher demands from China and the wider region. However, the main focus is into the local markets where quickest and best gains can be made in the shorter term. The businesses in APAC are now working in a far more collaborative manner which will see both operations benefit from a more regional approach to client development and candidate acquisition.

The market continues to be competitive and the business has seen a higher than expected turnover of staff for a variety of reasons.

After conducting a full operational review of the business our “modus operandi” will be one of contingent search across all our chosen markets. This will see more junior staff being hired, trained and developed into our future consultants and leaders.

This research model will also hugely benefit our candidate acquisition strategy.

Robert Thesiger

Chief Executive Officer

18 September 2019

**CONSOLIDATED INCOME STATEMENT**

FOR THE YEAR ENDED 31 MARCH 2019

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Continuing operations**  **2019**  **£’000** | **Discontinued operations**  **2019**  **£’000** | **Total  2019**  **£’000** | Continuing operations  2018  £’000 | Discontinued operations  2018  £’000 | Total  2018  £’000 |
| Revenue Cost of sales |  | **12,315**  **8,692** | **1,093**  **582** | **13,408**  **9,274** | 13,591  9,395 | 3,201  2,086 | 16,792  11,481 |
| **Net fee income**  Administrative costs | | **3,623**  **3,498** | **511**  **544** | **4,134**  **4,042** | 4,196  5,120 | 1,115  1,616 | 5,311  6,736 |
| **Operating profit/(loss)** Finance costs Exceptional Item |  | **125**  **(37)**  **–** | **(34)**  **(15)**  **315** | **91**  **(52)**  **315** | (924)  (19)  – | (501)  (36)  – | (1,425)  (55)  – |
| **Profit/(loss) before tax**  Tax expense |  | **88**  **(31)** | **266**  **–** | **354**  **(31)** | (943)  (34) | (537)  – | (1,480)  (34) |
| **Profit/(loss) for the period attributable to owners of the parent** | | **57** | **266** | **323** | (977) | (537) | (1,514) |
| **Earnings per share**  Basic and diluted Profit/(loss) per share attributable to owners of the parent |  | **0.05p** | **0.22p** | **0.27p** | (0.84)p | (0.45)p | (1.29)p |

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 MARCH 2019

|  |  |  |
| --- | --- | --- |
|  | **2019**  **£’000** | 2018  £’000 |
| Profit/(Loss) for the year | **323** | (1,514) |
| Exchange difference on translation of foreign operations | **18** | (39) |
| **Total comprehensive profit/(loss) for the period attributable to owners of the parent** | **341** | (1,553) |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 MARCH 2019

|  |  |  |
| --- | --- | --- |
|  | **2019**  **£’000** | 2018  £’000 |
| **Assets** |  |  |
| **Non-current assets** |  |  |
| Property, plant and equipment | **8** | 37 |
| Deferred tax asset | **18** | 55 |
| Total | **26** | 92 |
| **Current assets** |  |  |
| Trade and other receivables | **1,599** | 2,870 |
| Cash and cash equivalents | **166** | 141 |
| Total | **1,765** | 3,011 |
| **Total assets** | **1,791** | 3,103 |
| **Current Liabilities** |  |  |
| Trade and other payables | **(1,151)** | (2,025) |
| Borrowings | **(438)** | (1,217) |
| Total | **(1,589)** | (3,242) |
| **Net Assets/(Liabilities)** | **202** | (139) |
| **Equity** |  |  |
| Share capital | **1,602** | 1,602 |
| Share premium account | **2,580** | 2,580 |
| Merger reserve | **90** | 90 |
| Employee share benefit trust reserve | **(61)** | (61) |
| Currency reserve | **18** | (13) |
| Retained earnings | **(4,027)** | (4,337) |
| **Total equity attributable to the shareholders of the Company** | **202** | (139) |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

AS AT 31 MARCH 2019

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Share** | **Share** | **merger** | **Employee**  **share** | **Currency** | **Retained** | **Total** |
|  | **capital** | **premium** | **reserve** | **reserve** | **reserve** | **earnings** | **equity** |
|  | **£’000** | **£’000** | **£’000** | **£’000** | **£’000** | **£’000** | **£’000** |
| At 1 April 2017 | 1,602 | 2,580 | 90 | (61) | 26 | (2,823) | 1,414 |
| Loss for the year | – | – | – | – | – | (1,514) | (1,514) |
| Other comprehensive loss | – | – | – | – | (39) | – | (39) |
| **Total comprehensive income for 2017** |  |  |  |  |  |  |  |
| – | – | – | – | (13) | (4,337) | (139) |
| At 1 April 2018 | 1,602 | 2,580 | 90 | (61) | (13) | (4,337) | (139) |
| **Comprehensive**  **income for the year** |  |  |  |  |  |  |  |
| Profit for the year | – | – | – | – | – | 323 | 323 |
| Other comprehensive  income | – | – | – | – | 18 | – | 18 |
| **Total comprehensive income for the year** | – | – | – | – | 18 | 323 | 341 |
| **At 31 March 2019** | 1,602 | 2,580 | 90 | (61) | 5 | (4,014) | 202 |

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 MARCH 2019

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **Continuing Operations**  **2019**  **£’000** | **Discontinued Operations**  **2019**  **£’000** | **Total 2019**  **£’000** | Continuing Operations  2018  £’000 | Discontinued Operations  2018  £’000 | Total 2018  £’000 |
| **Operating activities** |  |  |  |  |  |  |  |
| Profit/(loss) for the year before tax |  | **88** | **266** | **354** | (885) | (595) | (1,480) |
| Depreciation of property, plant and equipment |  | **12** | **6** | **18** | 31 | 25 | 56 |
| Loss on disposal of fixed assets |  | **1** | **5** | **6** | – | – | – |
| Loss on abandonment of fixed assets |  | **–** | **5** | **5** | – | – | – |
| Impairment and amortization of intangible assets |  | **–** | **–** | **–** | 320 | 204 | 524 |
| Net finance costs |  | **37** | **15** | **52** | 19 | 36 | 55 |
| Tax credit/(paid) |  | **5** | **–** | **5** | (5) | – | (5) |
| Decrease in trade and other receivables |  | **1,078** | **194** | **1,272** | 126 | 889 | 1,015 |
| (Decrease)/increase in trade and other payables |  | **(296)** | **(578)** | **(874)** | 35 | 35 | 70 |
| **Net cash generated by operating activities** | | **838** | | | (359) | 594 | 235 |
| **Cash flows from investing activities** |  |  |  |  |  |  |  |
| Purchase of property, plant and equipment |  | **–** | **–** | **–** | (6) | (8) | (14) |
| **Net cash outflow from investing activities** | | **–** | **–** | **–** | (6) | (8) | (14) |
| **Financing activities** |  |  |  |  |  |  |  |
| (Decrease)/increase in invoice discounting facility |  | **(678)** | **(101)** | **(779)** | 186 | (440) | (254) |
| Finance cost paid |  | **(37)** | **(15)** | **(52)** | (19) | (36) | (55) |
| **Net cash (outflow)/inflow from financing activities** | | **(715)** | **(116)** | **(831)** | 167 | (476) | (309) |
| Net changes in cash and cash equivalent |  | **209** | **(202)** | **7** | (198) | 110 | (88) |
| Cash and cash equivalents, beginning of year Effect of foreign exchange rate movements |  | **120**  **(13)** | **21**  **31** | **141**  **18** | 241  (7) | 18  (23) | 259  (30) |
| **Cash and cash equivalents at end of year** | | **166** | | | 36 | 105 | 141 |

Cash and cash equivalents for the purpose of the statement of cash flows comprises:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Cash at bank | **166** |  |  | 141 |
| **Cash and cash equivalents at end of year** | **166** |  |  | 141 |

**NOTES TO THE FINANCIAL STATEMENTS**

**Basis of Preparation**

This announcement and the financial information were approved by the Board on 18 September 2019. The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 March 2019 and 31 March 2018. Statutory accounts for the years ended 31 March 2019 and 31 March 2018 have been reported on by the Independent Auditors. The Independent Auditors' Reports on the Annual Report and Financial Statements for the year ended 31 March 2019 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. The Independent Auditors' Report on the Annual Report and Financial Statements for the year ended 31 March 2018 included a material uncertainty in respect of going concern, in the event that should trading be below or at the lower end of expectations there would be a requirement for further funding in order for the group to continue as a going concern and that obtaining this additional funding cannot be guaranteed.

Statutory accounts for the year ended 31 March 2018 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 March 2019 will be delivered to the Registrar in due course.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRIC interpretations and the parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention.

The preparation of Financial Statements in conformity with IFRS require the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information, including the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Copies of the statutory accounts for the year ended 31 March 2019 will be posted to all shareholders. Additional copies will be available from the Company Secretary, Nakama Group plc, Quadrant House, 33/45 Croydon Road, Caterham, Surrey CR3 6PB and will be available to download from the investor relations section on the Company's website [www.nakamagroupplc.com](http://www.nakamagroupplc.com).

**Going concern**

Based on the latest trading expectations and associated cash flow forecasts, the Directors have considered forecasts for the next 12 months and, whilst the Group is not achieving the revenue that it is currently targeting, it is outperforming previous years and turnaround plans are progressing. In common with many businesses revenue is inherently uncertain, however the Directors believe that the Group is financially strong enough to complete the turnaround process and believe that the Group and Company will be able to trade within its existing facilities and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Therefore, the financial statements have been prepared on a going concern basis.

1. **Operating segments**

Operating segments are reported on a geographical basis.

The Group has two main reportable segments based on the location revenue is derived from:

* Asia Pacific – This segment includes Australia (discontinued), Hong Kong and Singapore.
* UK – The UK segment includes candidates placed in the UK and Europe.

These segments are monitored by the Board of Directors and are reported in a manner consistent with the internal reporting provided to them. The Board of Directors are considered to be the chief operating decision makers. All revenue is derived from the supply of recruitment and human resource services.

**Factors that management used to identify the Group’s reportable segments**

The Group’s reportable segments are strategic business units that, although supplying the same product offerings, operate in distinct markets and are therefore managed on a day to day basis by separate teams.

**Measurement of operating segment profit or loss, assets and liabilities**

The accounts policies of the operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax not including overhead costs incurred by the head office such as plc AIM related costs not recharged, exceptional items, amortisation and share based payments.

The Board does not review assets and liabilities by segment.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Asia pacific** | **USA** | **UK** | **Total** |
| **2019** | **2019** | **2019** | **2019** |
| **£’000** | **£’000** | **£’000** | **£’000** |
| Revenue from external customers | **2,980** | **–** | **10,428** | **13,408** |
| Segment profit before interest, tax and exceptional items | **36** | **–** | **55** | **91** |

The comparisons for 2018:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Asia Pacific | USA | UK | Total |
| 2018 | 2018 | 2018 | 2018 |
| £’000 | £’000 | £’000 | £’000 |
| Revenue from external customers | 5,320 | 4 | 11,468 | 16,792 |
| Segment profit/(loss) before interest, tax and exceptional items | (705) | (53) | 38 | (720) |

Reconciliation of reportable segment profit to the Group’s corresponding amounts:

|  |  |  |
| --- | --- | --- |
| **Profit or loss after income tax expense** | **2019**  **£’000** | 2018  £’000 |
| Total profit or loss for reportable segments | **90** | (720) |
| PLC costs not cross charged | **(51)** | (236) |
| Amortisation and impairment of intangibles | **–** | (524) |
| **Profit/(Loss) before tax and exceptional items** | **39** | (1,480) |
| **Exceptional items** | **315** | – |
| Corporation taxes | **(31)** | (34) |
| **Profit/(Loss) after income tax expense** | **323** | (1,514) |

1. **Revenue**

The Group makes sales to Europe and Asia. Operations in USA and Australia have been discontinued. All revenue is derived from the provision of services. An analysis of sales revenue by country is given below:

|  |  |  |
| --- | --- | --- |
| **Revenue by country** | **2019**  **£’000** | 2018  £’000 |
| United Kingdom | **10,260** | 11,026 |
| Europe | **168** | 305 |
| Hong Kong | **1,449** | 1,551 |
| Singapore | **439** | 709 |
| Australia | **1,093** | 3,197 |
| USA | **–** | 4 |
|  | **13,408** | 16,792 |

1. **Operating loss**

The profit/(loss) on ordinary activities before taxation is stated after charging:

The analysis of auditor’s remuneration is as follows:

|  |  |  |
| --- | --- | --- |
|  | **2019**  **£’000** | 2018  £’000 |
| Remuneration received by Company’s auditor or an associate of the Company’s auditor: Company annual accounts  Group annual accounts | **5**  **10** | 5  10 |
| Other fees payable to the Company’s auditors:  Audit of subsidiary companies  Tax compliance | **15**  **8**  **5** | 15  48  10 |
|  | **28** | 73 |
| Amortisation of intangibles | **–** | 37 |
| Impairment of goodwill | **–** | 487 |
| Depreciation of equipment | **18** | 56 |
| Loss on disposal of fixed asset and exchange | **11** | – |
| Foreign exchange gain/(loss) | **24** | (72) |
| Operating lease rentals: |  |  |
| Property | **140** | 492 |
| Plant and equipment | **2** | 13 |
| Staff costs | **3,304** | 4,053 |

1. **Income tax expense**

|  |  |  |
| --- | --- | --- |
|  | **2019**  **£’000** | 2018  £’000 |
| Comprising: |  |  |
| Current tax charge | **(6)** | 5 |
| Deferred tax from timing difference between depreciation and capital allowance | **(2)** | 1 |
| Deferred tax from trading losses | **39** | 28 |
|  | **31** | 34 |

The relationship between the expected tax expense based on the effective tax rate of the Group at 19% (2018: 19%) and the tax expense actually recognised in the income statement can be reconciled as follows:

|  |  |  |
| --- | --- | --- |
|  | **2019**  **£’000** | 2018  £’000 |
| Result for the year before taxation | **354** | (1,480) |
| Expected tax expense | **67** | (282) |
| Expenses/(Income) not deductible for tax purposes | **(66)** | 108 |
| Unrecognised deferred tax | **33** | 266 |
| Difference in tax rates between UK and overseas | **(3)** | (58) |
| Total income tax expense | **31** | 34 |

1. **Loss per share**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **2019** |  |  | 2018 |  |
|  | **profit**  **£’000** | **Weighted average number of**  **shares**  **‘000** | **Loss  per share**  **p** | Profit  £’000 | Weighted average number of  shares  ‘000 | Earnings  per share  p |
| Basic and diluted profit/(loss) per share | **323** | **117,607** | **0.27** | (1,514) | 117,607 | (1.29) |

The weighted average number of shares excludes 183,953 (2018: 183,953) shares held by the Employee Share Benefit Trust.