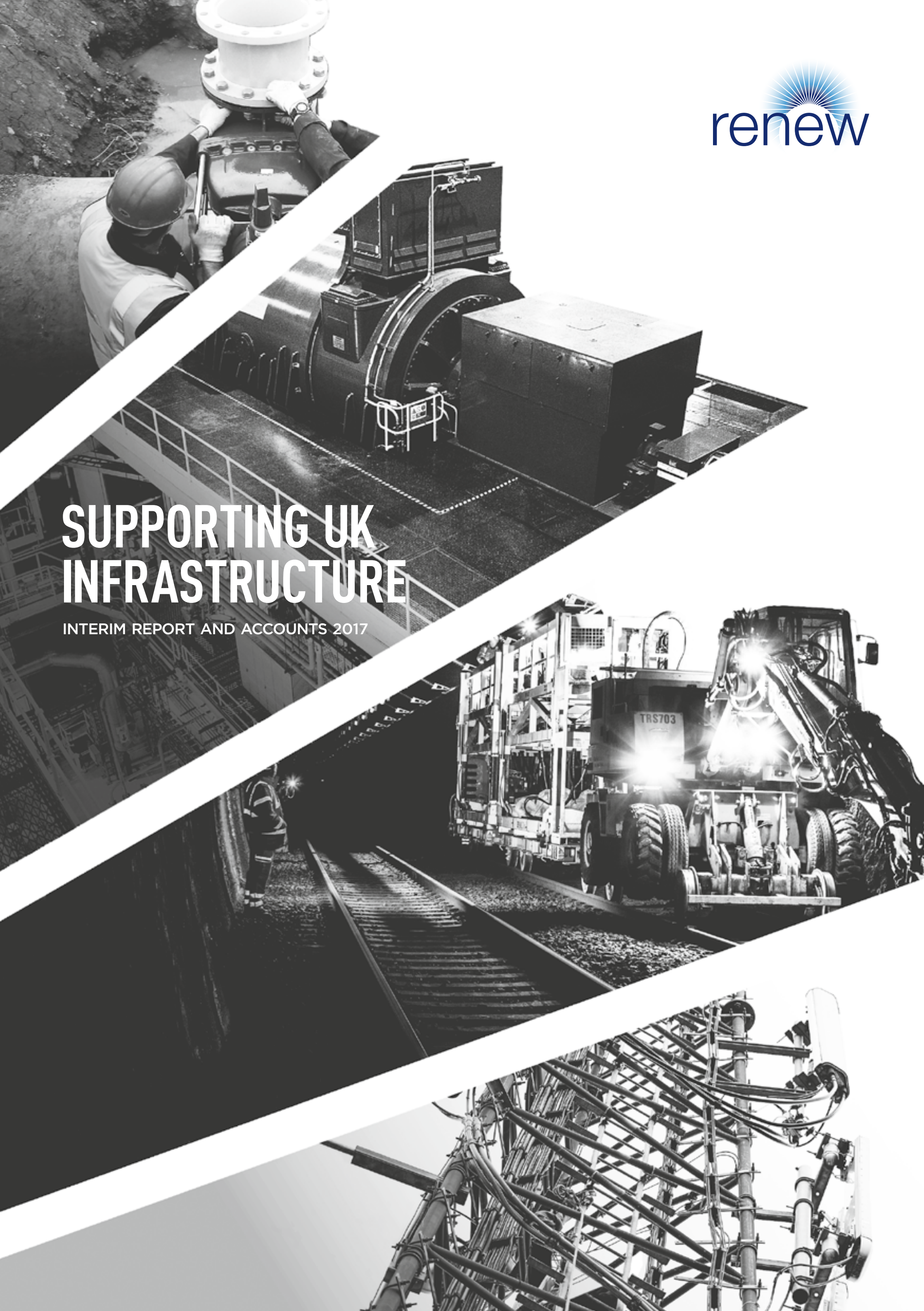
renew



SUPPORTING UK INFRASTRUCTURE

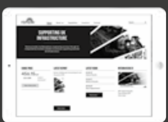
INTERIM REPORT AND ACCOUNTS 2017

SUPPORTING KEY INFRASTRUCTURE ASSETS

Renew provides multidisciplinary engineering services through its independently branded subsidiary businesses supporting essential UK infrastructure.

Strategic Report

Financial Statements



FIND OUT MORE ABOUT US

> www.renewholdings.com

CHAIRMAN'S STATEMENT

RECORD INTERIM RESULTS

Renew has again delivered record interim results with strong growth in both operating profit and revenue.

Our established strategy of providing engineering services in regulated UK infrastructure markets continues to deliver positive results. The Group focuses on directly delivering essential works to critical infrastructure which are mainly funded through our clients' operational expenditure budgets.

Results

Group operating profit, prior to exceptional items and amortisation charges, increased by 15% to £12.1m (2016: £10.5m), on revenue up 9% to £289.4m (2016: £265.1m). Operating margin increased to 4.2% (2016: 4.0%) with earnings per share prior to exceptional items and amortisation charges increasing by 16% to 15.49p (2016: 13.31p). After the £5.8m exceptional impairment charge detailed below, profit before income tax was £4.8m (2016: £8.8m).

In Engineering Services, revenue grew by 6% to £234.3m (2016: £221.3m), representing 81% (2016: 84%) of Group revenue with operating profit prior to exceptional items and amortisation charges increasing by 14% to £11.9m (2016: £10.4m), giving an improved operating margin of 5.1% (2016: 4.7%).

In Specialist Building, the Group remains focused on contract selectivity and risk management within the High Quality Residential market in London and the Home Counties which has been particularly strong. Operating profit was £1.2m (2016: £1.1m) on revenue of £53.6m (2016: £44.4m).

Exceptional items

At the end of April 2017, the Group decided to withdraw from its loss-making low pressure, small diameter gas pipe replacement activities and as a result has reviewed the carrying value of its investment in that business. The Board has determined that a non-cash impairment charge of £5.8m should be made which is included within exceptional items. Our gas operations are now completely focused on medium pressure activities which will result in lower revenue but which have been consistently profitable. This restructuring will result in up to £0.5m of exceptional charges relating to redundancy and other costs which will be recorded in the second half of this financial year. Following these actions, the Board expects that its gas business will return to profitability in the financial year ending 30 September 2018.

Dividend

In line with its progressive policy, the Board is increasing the interim dividend by 13% to 3.00p (2016: 2.65p) per share which will be paid on 3 July 2017 to shareholders on the register at 2 June 2017.

Order book

The Group's order book at 31 March 2017 was £517m (2016: £515m). The Group's expected revenue for the second half of the financial year is fully secured.

Cash

At 31 March 2017, the Group had net debt of £3.5m (2016: £4.2m). The Board expects to report a net cash position at the end of the financial year.

Acquisition

In November 2016, Renew acquired Giffen Holdings Ltd, a specialist mechanical, electrical and power services provider for £7m which broadens the Group's offering within the railway environment. The integration of Giffen is progressing well.

Board changes

On 3 April 2017, the Group appointed David Brown to the Board as a Non-Executive Director. David is Group Chief Executive of The Go-Ahead Group Plc, a position he has held since 2011. I welcome David to our Board.

Outlook

Renew is a leading provider of engineering support services to the UK's critical Energy, Environmental and Infrastructure markets, where ongoing engineering maintenance requirements provide long-term, sustainable opportunities. Our expertise in these target markets and our direct delivery model positions us to provide our clients with an integrated and responsive service.

It remains the Board's strategy to grow our Engineering Services business both organically and through selective, earnings enhancing acquisitions. The Board is confident that Renew will achieve its financial target of a 4.5% Group operating margin and report results in line with market expectations for the year ending 30 September 2017.

R J Harrison OBE
Chairman
23 May 2017

CHIEF EXECUTIVE'S REVIEW

INTEGRATED ENGINEERING SERVICES

Renew is a leading engineering services provider supporting critical UK infrastructure across the Energy, Environmental and Infrastructure markets.

The Group provides integrated engineering services to support a wide range of assets which include nuclear and traditional power sites, water, flood alleviation and gas infrastructure, rail and wireless telecoms networks. We provide long-term asset care and maintenance services as well as emergency reactive works.

Engineering Services

Engineering Services revenue grew by 6% to £234.3m (2016: £221.3m). Operating profit prior to exceptional items and amortisation grew 14% to £11.9m (2016: £10.4m), increasing the operating margin to 5.1% (2016: 4.7%) and representing 91% (2016: 91%) of segment operating profit.

At 31 March 2017, the Engineering Services order book increased by 5% to £435m (2016: £416m).

Energy

Renew provides engineering support services to assets across the nuclear, fossil and renewable energy markets.

We operate at 12 of the Nuclear Decommissioning Authority's ("NDA") 17 nuclear licenced sites in the UK. The investment required to clean up the UK's nuclear legacy is estimated at £70bn and will take over 120 years to complete.

The largest of the sites on the NDA's decommissioning programme is Sellafield, which is currently allocated 73% of this expenditure. The scale of the decommissioning challenge there requires much of the work to be delivered through long-term programmes of work.

As the largest mechanical and electrical contractor at Sellafield, the Group supports long-term programmes associated with new and existing operational plant in the waste treatment, reprocessing, decontamination, decommissioning and clean up operations. We are strongly positioned on the 10-year Decommissioning Delivery Partnership Framework which is estimated at £500m with head room to increase expenditure to £1.5bn over the term to 2025. We are also engaged across numerous other long-term, high priority programmes at Sellafield including; Magnox Swarf Storage Silo, Bulk Sludge Retrieval, Site Remediation & Decommissioning, Box Encapsulation Plant, Pile Fuel Cladding Silo, the Bundling Spares Framework and the Tanks and Vessels Framework.

Elsewhere, our established relationship with Magnox as sole provider on the national Electrical, Controls and Instrumentation Framework runs to 2021. In the period, we were also engaged through a new contract at the Drigg Low Level Waste Repository.

We have repositioned the gas business which is now focused exclusively on medium pressure and larger diameter gas activities in London and the South East. This market is driven by the long-term 30/30 Iron Mains Replacement Programme which gives good visibility to 2032. A key factor going forward is our exclusive regional position on the medium pressure framework for Southern Gas Networks which is gaining momentum.

Environmental

Renew provides engineering support services to the UK's water and sewer infrastructure networks as well as to flood alleviation and coastal protection programmes.

For Northumbrian Water, we undertake a range of tasks on the AMP 6 Sewerage Repair and Maintenance Framework. We are engaged by Wessex Water on the AMP 6 Civils & EMI Delivery Partners Framework, where work levels have increased as the AMP 6 programme accelerates. We have also experienced high demand on Welsh Water's Pressurised Pipelines Framework, with work also undertaken on the Major and Minor Civils and the Emergency Reactive frameworks.

As sole provider on the Environment Agency's MEICA Framework to 2019, we support around 600 flood and water management sites throughout the Northern Region. Work is also undertaken nationally for the Environment Agency on four minor works frameworks.

During the period, we were appointed as sole supplier on the national Canal & River Trust MEICA Framework. Work includes maintenance, renewal and emergency reactive tasks on around 1,000 of the Trust's assets across England and Wales over the seven-year term. These assets include swing bridges, lock gates, sluices, water level and flow monitoring systems and pumping stations.

In addition to our ongoing work under several frameworks for National Grid, our land remediation activities include a major scheme at Sighthill for Glasgow City Council.

At the Palace of Westminster, where we have long term contracted work associated with the Cast Iron Roof programme and the Courtyards Conservation Framework, we anticipate further growth opportunities.

Infrastructure

As a major provider of infrastructure services to Network Rail, we undertake a wide range of planned maintenance and renewals tasks alongside a 24/7 emergency reactive service across the rail network.

We are sole provider on seven Infrastructure Projects frameworks over the current CP5 investment period, delivering renewal schemes nationally on assets including bridges, viaducts and specialist tunnel refurbishments. We deliver a high volume of maintenance tasks through six Asset Management frameworks and are the major structures renewals and sole maintenance contractor in Scotland.

The acquisition of Giffen Holdings Ltd ("Giffen") broadens the Group's offering to Network Rail and creates opportunities for the Group with London Underground Limited and Train Operating Companies.

In wireless telecoms, we work for all of the UK's major cellular network operators and several original equipment manufacturers. Work is concentrated on the 4G roll out programmes, which are driven by increasing consumer demand.

Specialist Building

The Group's Specialist Building operations focus on the High Quality Residential market in London and the Home Counties where we specialise in major structural engineering works.

This market is robust and continues to provide stable earnings. Specialist Building revenue grew by 21% to £53.6m (2016: £44.4m), with an operating profit of £1.2m (2016: £1.1m). The forward order book was £82m (2016: £99m). Expected revenue for the year is fully secured.

Strategy

We remain committed to developing our engineering services business in our existing infrastructure markets both organically and through selective acquisitions to build on our integrated service offering.

The Group focuses on developing long-term relationships with its clients for whom we directly deliver day-to-day maintenance and renewal services alongside emergency reactive works to the country's key infrastructure assets.

Paul Scott
Chief Executive
23 May 2017

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 MARCH 2017

	Note	Before exceptional items and amortisation of intangible assets 2017 Unaudited £000	Exceptional items and amortisation of intangible assets (see note 3) 2017 Unaudited £000	Six months ended 31 March 2017 Unaudited £000	Six months ended 31 March 2016 Unaudited £000	Before amortisation of intangible assets 2016 Audited £000	Amortisation of intangible assets 2016 Audited £000	Year ended 30 September 2016 Audited £000
Group revenue from continuing activities	2	**289,404**	**–**	**289,404**	265,079	525,737	–	525,737
Cost of sales		**(259,180)**	**–**	**(259,180)**	(237,763)	(469,180)	–	(469,180)
Gross profit		**30,224**	**–**	**30,224**	27,316	56,557	–	56,557
Administrative expenses		**(18,113)**	**(7,149)**	**(25,262)**	(18,315)	(34,603)	(2,954)	(37,557)
Operating profit	2	**12,111**	**(7,149)**	**4,962**	9,001	21,954	(2,954)	19,000
Finance income		**81**	**–**	**81**	131	373	–	373
Finance costs		**(216)**	**–**	**(216)**	(333)	(624)	–	(624)
Other finance income – defined benefit pension schemes		**–**	**–**	**–**	–	625	–	625
Profit before income tax	2	**11,976**	**(7,149)**	**4,827**	8,799	22,328	(2,954)	19,374
Income tax expense	5	**(2,315)**	**243**	**(2,072)**	(1,760)	(5,268)	532	(4,736)
Profit for the period from continuing activities		**9,661**	**(6,906)**	**2,755**	7,039	17,060	(2,422)	14,638
Loss for the period from discontinued operation	4			**–**	–			(4,026)
Profit for the period attributable to equity holders of the parent company				**2,755**	7,039			10,612
Basic earnings per share from continuing activities	6			**4.42p**	11.35p			23.53p
Diluted earnings per share from continuing activities	6			**4.38p**	11.26p			23.33p
Basic earnings per share	6			**4.42p**	11.35p			17.06p
Diluted earnings per share	6			**4.38p**	11.26p			16.91p
Proposed dividend	7			**3.00p**	2.65p			8.00p

Operating profit for the six months ended 31 March 2016 is stated after charging £1,477,000 of amortisation cost.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 MARCH 2017

	Six months ended 31 March 2017 Unaudited £000	Six months ended 31 March 2016 Unaudited £000	Year ended 30 September 2016 Audited £000
Profit for the period attributable to equity holders of the parent company	**2,755**	7,039	10,612
Items that will not be reclassified to profit or loss:			
Movement in actuarial valuation of the defined benefit pension schemes	**–**	–	(14,229)
Movement on deferred tax relating to the defined benefit pension schemes	**–**	–	2,561
Total items that will not be reclassified to profit or loss	**–**	–	(11,668)
Items that are or may be reclassified subsequently to profit or loss:			
Exchange movement in reserves	**84**	135	291
Total items that are or may be reclassified subsequently to profit or loss	**84**	135	291
Total comprehensive income for the period attributable to equity holders of the parent company	**2,839**	7,174	(765)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 MARCH 2017

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Cumulative translation adjustment £000	Share based payments reserve £000	Retained earnings £000	Total equity Unaudited £000
At 1 October 2015	6,192	6,989	3,896	1,056	327	6,509	24,969
Transfer from income statement for the period						7,039	7,039
Dividends paid						(2,960)	(2,960)
New shares issued	40	1,492					1,532
Recognition of share based payments					11		11
Exchange differences				135			135
At 31 March 2016	6,232	8,481	3,896	1,191	338	10,588	30,726
Transfer from income statement for the period						3,573	3,573
Dividends paid						(1,651)	(1,651)
Recognition of share based payments					233		233
Exchange differences				156			156
Actuarial movement recognised in the pension schemes						(14,229)	(14,229)
Movement on deferred tax relating to the pension schemes						2,561	2,561
At 30 September 2016	6,232	8,481	3,896	1,347	571	842	21,369
Transfer from income statement for the period						2,755	2,755
Dividends paid						(3,349)	(3,349)
New shares issued	27	1,154					1,181
Recognition of share based payments					1		1
Exchange differences				84			84
At 31 March 2017	**6,259**	**9,635**	**3,896**	**1,431**	**572**	**248**	**22,041**

CONDENSED CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2017

	31 March 2017 Unaudited £000	31 March 2016 Unaudited £000	30 September 2016 Audited £000
Non-current assets			
Intangible assets – goodwill	**58,505**	56,259	56,259
– other	**3,819**	2,757	1,280
Property, plant and equipment	**13,188**	14,095	13,673
Retirement benefit assets	**9,834**	17,284	7,704
Deferred tax assets	**2,355**	1,674	1,581
	87,701	92,069	80,497
Current assets			
Inventories	**5,032**	5,077	5,362
Assets held for resale	**1,500**	1,567	1,500
Trade and other receivables	**92,973**	94,452	93,520
Current tax assets	**—**	1,389	—
Cash and cash equivalents	**2,671**	8,192	14,084
	102,176	110,677	114,466
Total assets	**189,877**	202,746	194,963
Non-current liabilities			
Borrowings	**—**	(6,200)	(3,100)
Obligations under finance leases	**(2,569)**	(2,134)	(3,030)
Retirement benefit obligations	**(1,918)**	(407)	(2,110)
Deferred tax liabilities	**(2,504)**	(3,654)	(1,664)
Provisions	**(312)**	(580)	(312)
	(7,303)	(12,975)	(10,216)
Current liabilities			
Borrowings	**(6,200)**	(6,200)	(6,200)
Trade and other payables	**(148,946)**	(149,881)	(153,472)
Obligations under finance leases	**(2,426)**	(2,944)	(2,623)
Current tax liabilities	**(2,741)**	—	(863)
Provisions	**(220)**	(20)	(220)
	(160,533)	(159,045)	(163,378)
Total liabilities	**(167,836)**	(172,020)	(173,594)
Net assets	**22,041**	30,726	21,369
Share capital	**6,259**	6,232	6,232
Share premium account	**9,635**	8,481	8,481
Capital redemption reserve	**3,896**	3,896	3,896
Cumulative translation adjustment	**1,431**	1,191	1,347
Share based payments reserve	**572**	338	571
Retained earnings	**248**	10,588	842
Total equity	**22,041**	30,726	21,369

CONDENSED CONSOLIDATED CASHFLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 MARCH 2017

	Six months ended 31 March 2017 Unaudited £000	2016 Unaudited £000	Year ended 30 September 2016 Audited £000
Profit for the period from continuing operations	**2,755**	7,039	14,638
Amortisation of intangible assets	**1,140**	1,477	2,954
Goodwill impairment	**5,800**	—	—
Depreciation	**2,080**	1,968	4,036
Profit on sale of property, plant and equipment	**(328)**	(275)	(569)
Charge in respect of share option exercise	**1,181**	1,532	1,532
Decrease/(increase) in inventories	**530**	(91)	60
Decrease/(increase) in receivables	**5,252**	(2,063)	(63)
(Decrease)/increase in payables	**(12,952)**	253	2,609
Current service cost in respect of defined benefit pension scheme	**29**	29	47
Cash contribution to defined benefit schemes	**(2,322)**	(2,322)	(4,701)
Charge in respect of share options	**1**	11	244
Finance income	**(81)**	(131)	(373)
Finance costs/(other income)	**216**	333	(1)
Interest paid	**(216)**	(333)	(624)
Income taxes paid	**—**	(800)	(863)
Income tax expense	**2,072**	1,760	4,736
Net cash inflow from continuing operating activities	**5,157**	8,387	23,662
Net cash outflow from discontinued operating activities	**(1,525)**	(2,003)	(6,109)
Net cash inflow from operating activities	**3,632**	6,384	17,553
Investing activities			
Interest received	**81**	131	373
Proceeds on disposal of property, plant and equipment	**381**	359	1,020
Purchases of property, plant and equipment	**(698)**	(1,471)	(1,304)
Acquisition of subsidiaries net of cash acquired	**(7,014)**	(208)	(208)
Net cash outflow from investing activities	**(7,250)**	(1,189)	(119)
Financing activities			
Dividends paid	**(3,349)**	(2,960)	(4,611)
Loan repayments	**(3,100)**	(3,100)	(6,200)
Repayment of obligations under finance leases	**(1,347)**	(1,620)	(3,225)
Net cash outflow from financing activities	**(7,796)**	(7,680)	(14,036)
Net (decrease)/increase in continuing cash and cash equivalents	**(9,889)**	(482)	9,507
Net (decrease) in discontinued cash and cash equivalents	**(1,525)**	(2,003)	(6,109)
Net (decrease)/increase in cash and cash equivalents	**(11,414)**	(2,485)	3,398
Cash and cash equivalents at the beginning of the period	**14,084**	10,662	10,662
Effect of foreign exchange rate changes	**1**	15	24
Cash and cash equivalents at the end of the period	**2,671**	8,192	14,084
Bank balances and cash	**2,671**	8,192	14,084

NOTES TO THE CONDENSED CONSOLIDATED ACCOUNTS

1 Basis of preparation

(a) The condensed consolidated interim financial report for the six months ended 31 March 2017 and the equivalent period in 2016 has not been audited or reviewed by the Group's auditor. It does not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006. It has been prepared under the historical cost convention and on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The report does not comply with IAS34 "Interim Financial Reporting", which is not currently required to be applied for AIM companies and it was approved by the Directors on 23 May 2017.

(b) The accounts for the year ended 30 September 2016 were prepared under IFRS and have been delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498(2) or (3) of the Companies Act 2006. In this report, the comparative figures for the year ended 30 September 2016 have been audited. The comparative figures for the period ended 31 March 2016 are unaudited.

(c) For the year ending 30 September 2017, there are no new accounting standards, which have been adopted by the EU, applied and implemented for the condensed consolidated interim financial report. The accounting policies adopted in the preparation of the condensed consolidated interim financial report are consistent with those adopted in the Group's accounts for the year ended 30 September 2016.

(d) On 31 October 2014 Places for People Group Limited ("PFP") acquired 50% of the ordinary share capital of Allenbuild Ltd, a Specialist Building subsidiary. PFP acquired the remaining 50% on 31 January 2016. Consequently, Allenbuild Ltd has been treated as a discontinued operation.

(e) The principal risks and uncertainties affecting the Group are unchanged from those set out in the Group's accounts for the year ended 30 September 2016. The Directors have reviewed financial forecasts and are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Group continues to adopt the going concern basis in preparing the condensed consolidated interim financial report.

This condensed consolidated interim financial report is being sent to all shareholders and is also available upon request from the Company Secretary, Renew Holdings plc, Yew Trees, Main Street North, Aberford, West Yorkshire LS25 3AA, or via the website www.renewholdings.com.

2 Segmental analysis

Operating segments have been identified based on the internal reporting information provided to the Group's Chief Operating Decision Maker. From such information, Engineering Services and Specialist Building have been determined to represent operating segments.

	Six months ended 31 March 2017 Unaudited £000	Six months ended 31 March 2016 Unaudited £000	Year ended 30 September 2016 Audited £000
Revenue is analysed as follows:			
Engineering Services	**234,263**	221,345	436,213
Specialist Building	**53,573**	44,375	90,503
Inter segment revenue	**(399)**	(641)	(983)
Segment revenue	**287,437**	265,079	525,733
Central activities	**1,967**	—	4
Group revenue from continuing operations	**289,404**	265,079	525,737

	Before exceptional items and amortisation of intangible assets 2017 Unaudited £000	Exceptional items and amortisation of intangible assets 2017 Unaudited £000	Six months ended 31 March 2017 Unaudited £000	Six months ended 31 March 2016 Unaudited £000	Before amortisation of intangible assets 2016 Audited £000	Amortisation of intangible assets 2016 Audited £000	Year ended 30 September 2016 Audited £000
Analysis of operating profit							
Engineering Services	**11,939**	**(7,149)**	**4,790**	8,929	21,541	(2,954)	18,587
Specialist Building	**1,158**	**—**	**1,158**	1,054	2,334	—	2,334
Segment operating profit	**13,097**	**(7,149)**	**5,948**	9,983	23,875	(2,954)	20,921
Central activities	**(986)**	**—**	**(986)**	(982)	(1,921)	—	(1,921)
Operating profit	**12,111**	**(7,149)**	**4,962**	9,001	21,954	(2,954)	19,000
Net finance (costs)/ other income	**(135)**	**—**	**(135)**	(202)	374	—	374
Profit before income tax	**11,976**	**(7,149)**	**4,827**	8,799	22,328	(2,954)	19,374

Operating profit for the six months ended 31 March 2016 is stated after charging £1,477,000 of amortisation cost.

3 Exceptional items and amortisation of intangible assets

	Six months ended 31 March 2017 Unaudited £000	Six months ended 31 March 2016 Unaudited £000	Year ended 30 September 2016 Audited £000
Acquisition costs in respect of Giffen Holdings Ltd	**209**	—	—
Impairment of goodwill	**5,800**	—	—
Total charges arising from exceptional items	**6,009**	—	—
Amortisation of intangible assets	**1,140**	1,477	2,954
	7,149	1,477	2,954

Following the decision in April 2017 to withdraw from the loss-making low pressure, small diameter gas pipe replacement activities of Forefront Utilities Ltd, the Board has carried out a review of the carrying value of goodwill attributable to that cash generating unit which has resulted in an impairment charge of £5,800,000.

NOTES TO THE CONDENSED CONSOLIDATED ACCOUNTS
CONTINUED

4 Discontinued operation analysis

	Six months ended 31 March 2017 Unaudited £000	Six months ended 31 March 2016 Unaudited £000	Year ended 30 September 2016 Audited £000
Revenue	**147**	4,876	7,500
Expenses	**(147)**	(4,876)	(11,493)
Loss before income tax	**—**	—	(3,993)
Income tax credit – benefit of tax losses	**—**	—	785
Income tax charge – adjustment in respect of previous period	**—**	—	(818)
Loss for the period from discontinued operation	**—**	—	(4,026)

5 Income tax expense

	Six months ended 31 March 2017 Unaudited £000	Six months ended 31 March 2016 Unaudited £000	Year ended 30 September 2016 Audited £000
Current tax:			
UK corporation tax on profits for the period	**(1,877)**	(1,598)	(3,742)
Adjustments in respect of previous periods	**—**	—	(171)
Total current tax	**(1,877)**	(1,598)	(3,913)
Deferred tax	**(195)**	(162)	(823)
Income tax expense	**(2,072)**	(1,760)	(4,736)

6 Earnings per share

	Six months ended 31 March 2017 Unaudited Earnings £000	EPS Pence	DEPS Pence	2016 Unaudited Earnings £000	EPS Pence	DEPS Pence	Year ended 30 September 2016 Audited Earnings £000	EPS Pence	DEPS Pence
Earnings before exceptional items and amortisation	**9,661**	**15.49**	**15.37**	8,250	13.31	13.20	17,060	27.43	27.19
Exceptional items and amortisation	**(6,906)**	**(11.07)**	**(10.99)**	(1,211)	(1.96)	(1.94)	(2,422)	(3.90)	(3.86)
Basic earnings per share – continuing operations	**2,755**	**4.42**	**4.38**	7,039	11.35	11.26	14,638	23.53	23.33
Loss for the period from discontinued operation	**—**	**—**	**—**	—	—	—	(4,026)	(6.47)	(6.42)
Basic earnings per share	**2,755**	**4.42**	**4.38**	7,039	11.35	11.26	10,612	17.06	16.91
Weighted average number of shares		**62,376**	**62,860**		62,001	62,524		62,201	62,739

The dilutive effect of share options is to increase the number of shares by 484,000 (March 2016: 523,000; September 2016: 538,000) and reduce the basic earnings per share by 0.04p (March 2016: 0.09p; September 2016: 0.15p). On 13 January 2017 273,503 new Ordinary shares of 10p each were issued following the exercise of share options bringing the total number in issue to 62,591,451.

7 Dividends

The proposed interim dividend is 3.00p per share (2016: 2.65p). This will be paid out of the Company's available distributable reserves to shareholders on the register on 2 June 2017, payable on 3 July 2017. In accordance with IAS 1, dividends are recorded only when paid and are shown as a movement in equity rather than as a charge in the income statement.

8 Intangible assets

	Goodwill £000	Contractual rights and customer relationships £000
Cost:		
At 1 April 2016	57,067	12,323
Addition	—	—
At 1 October 2016	57,067	12,323
Addition	8,046	3,679
At 31 March 2017	**65,113**	**16,002**
Impairment losses/amortisation:		
At 1 April 2016	(808)	(9,566)
Amortisation	—	(1,477)
At 1 October 2016	(808)	(11,043)
Amortisation	—	(1,140)
Impairment	(5,800)	—
At 31 March 2017	**(6,608)**	**(12,183)**
Carrying amount:		
At 1 April 2016 (unaudited)	56,259	2,757
At 1 October 2016 (audited)	56,259	1,280
At 31 March 2017 (unaudited)	**58,505**	**3,819**

On 31 October 2016, the Group acquired the whole of the issued share capital of Giffen Holdings Ltd ("Giffen") for a cash consideration of £5m with a further £2m payment to redeem loans.

The Board's preliminary estimate is that goodwill of £8m arises on acquisition which will be reviewed for impairment one year after the acquisition as permitted by IFRS 3. Goodwill will be finally determined following the completion of the audit of the accounts of Giffen for the year ended 30 September 2016. The goodwill is attributable to the expertise and workforce of the acquired business.

Other intangible assets, provisionally valued at £3.7m, representing contractual rights and customer relationships, were also acquired and will be amortised over their useful economic lives, which range from two to five years, in accordance with IFRS 3. Deferred tax has been provided on this amount. Amortisation of this intangible asset commenced in November 2016.

DIRECTORS, OFFICERS AND ADVISORS

Directors

R J Harrison OBE	(Non-executive Chairman)
P Scott	(Chief Executive)
J Bishop FCA	(Independent non-executive)
D M Forbes	(Independent non-executive)
D Brown	(Independent non-executive)
A Liebenberg	(Director)
J Samuel FCA	(Group Finance Director)

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