

### Preliminary Results for the Year Ended 31 December 2009

Share plc (AIM: SHRE.LN), parent company of The Share Centre (a leading independent retail stockbroker and operator of Sharemark, the trading platform for growing companies) and Sharefunds (the Group's investment management and fund administration subsidiary), announces its unaudited results for the year ended 31 December 2009.

#### Highlights

- Significant increase in retail investor activity – especially online.
- Deal volumes increased 75% on 2008.
- Revenue increased by 18.0% to £14.1m (2008: £12.0m)
- Operating profit increased by 65.1% to £2.2m (2008: £1.3m)
- Underlying (\*) basic and diluted earnings per share increased to 1.3p (2008: 1.1p)
- Interim dividend declared for 2010 of 0.25p per share (2008: Final dividend 0.22p)
- Strong balance sheet with £13.8m in cash (2008: £11.8m)
- Growth in benchmarked revenue market share to 5.76% (2008: 5.33%)

(\*) excludes the impact of some items, in particular any large non-recurring items, as defined in note 8 to this preliminary statement. Basic and diluted earnings per share 1.1p (2008: 0.5p) were impacted in the prior year by one-off costs associated with AIM admission.

#### Sir Martin Jacomb, Chairman, commented on the results:

"The last year has seen retail investors take a renewed interest in the stockmarket, take increasing control of their investments and use the research available to them on the internet to do so. This has led to a significant growth in new customers and an increase in dealing volumes. We believe that The Share Centre's simple and straightforward approach has resonated with those investors. Combined with the investment the business has made in marketing and systems over recent years the Group has been well placed to benefit from this increased activity.

"Other areas of the Group continue to perform well and we have been able to sign agreements with WAY Group Limited, and since the year end have welcomed customers from Wills & Co.

"I am therefore pleased to be able to report an impressive set of results with marked increases in revenues and profitability. The business is exploring further ways of increasing interest income once our protection policy comes to an end later this year, and we look forward with confidence and believe the Group is well positioned to continue to demonstrate superior growth."

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**Risk Warning:**

This document is not intended to constitute an offer or agreement to buy or sell investments and does not constitute a personal recommendation. The investments and services referred to in this document may not be suitable for every investor and if in doubt independent financial advice should be sought. No liability is accepted whatsoever for any loss howsoever arising from any information in this document subject to the rules of the Financial Services Authority or the Financial Services and Markets Act 2000. Share prices, values and income can go down as well as up and investors may get back less than their initial investment. Sharemark is an auction-based dealing facility designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The securities traded on Sharemark may not be listed. The Sharemark trading facility is operated by The Share Centre Limited. The Share Centre is a member of the London Stock Exchange and is authorised and regulated by the Financial Services Authority under reference 146768. Sharemark constitutes a Multilateral Trading Facility and is not a recognised investment exchange, clearing house or regulated market within the meaning of the Markets in Financial Instruments Directive.

**Notes for Editors:**

1. Share plc is the parent holding company of The Share Centre Ltd and Sharefunds Limited and its shares are traded on Sharemark ([www.sharemark.com](http://www.sharemark.com)), the auction-based trading platform designed especially for growing companies, as well as on AIM and PLUS Markets.
2. The Share Centre was formed in 1990 and provides a range of account-based services to enable investors to share in the wealth of the stock market.
3. Retail services include ISAs, CTF accounts and SIPP's, all with the benefit of investment advice, and dealing in a wide range of investments.
4. Services available to corporate clients include Share plan administration, Fund administration and 'white-label' dealing platforms.
5. For more details contact 0800 800 008, or visit [www.share.com](http://www.share.com).

## Chairman's Statement

Over the past year something very significant has happened for personal investors that has had a notable effect on the Group's retail stockbroking activities. It's not just about the stockmarket looking ahead to the possible end of a very nasty recession. Nor is it just about people seeking worthwhile returns from stockmarket investments when the returns on bank deposits have been negligible.

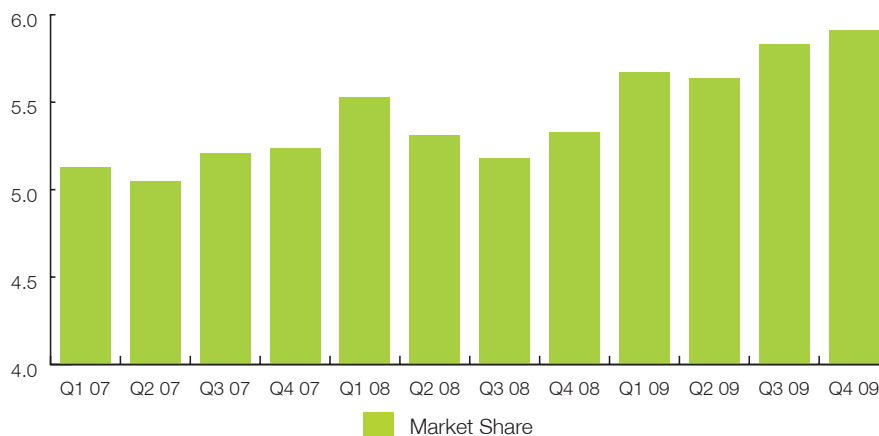
It's about a wholly new sense of independence and fulfilment, and therefore enjoyment, which comes from taking control of your own savings and investments on the internet. For this is the first major stockmarket collapse and recovery since use of the web became widespread, and investors have not only needed to take charge of their own capital, but have had the ability to do so, easily and without complication. Against that backdrop, we believe that the Group's vision of 'more people enjoying straightforward investing' and our simple low cost approach has resonated with investors. Share plc's substantial investment over the past four years in The Share Centre brand, has put the Group into prime position to benefit, and the sharp turnaround in stockmarket performance since March 2009 has rewarded investors well for their confidence during the depths of the crisis in winter 2008/9.

I am therefore pleased to report that 2009 saw the Group deliver revenue growth of 18% to £14.1m (2008: £12.0m). Analysis of this bare statistic reveals an even more significant rise in customer activity. As reported in previous years, our interest income on client money has been underpinned by an interest rate protection policy. This has stood us in good stead relative to our peers: but the result has been relatively static (rather than declining) interest income year on year. On the other hand, our dealing commission and fees revenue – directly linked to customer activity and account values – showed substantial growth of 28.8%.

The figures speak for themselves: the number of new accounts opened in the year (excluding Child Trust Funds, where we are a Revenue-Allocated provider) has increased by 40%, and total transactions have increased by 75%. Internet activity in particular has increased substantially with average visitor numbers in the second half of the year up 36% on 2008 and the proportion of transactions instructed online rising to 69% (2008: 54%) What underpins all this increase in investment activity is a more active, more involved and, on average, rather younger investor.

Revenues in the last five years have now grown by a total of 50%. 2009 operating profit has increased by 65% compared to 2008, helped by the fact that the increase in overheads (excluding marketing and the costs of profit sharing with employees and directors) was just 9%. One of the key priorities of the Group is to operate a scalable business model, and this remains a central consideration in introducing new products and services. Overall profit before tax has increased by 61%, but two factors should be borne in mind here: the 2008 exceptional one-off costs of the AIM introduction (£655,000) and a significant reduction in interest received on house cash reserves, which are not covered by our interest rate protection policy (a year on year reduction in 2009 of £542,000).

The Share Centre, [www.share.com](http://www.share.com), the Group's principal business is one of the leading British independent stockbrokers, and it has benefited from a promotional marketing spend of over £8m over the past four years. This is now starting to yield the rewards which we expected from that investment. One of the key performance indicators we watch is our market share of the total revenue earned by our peer group\*, and this has risen to 5.91% for the last quarter of 2009, an increase of over 10% over the past year and over 19% over the past three years. This took the market share for the year as a whole to 5.76% (2008: 5.33%) The Group is therefore not only benefiting from more market activity but also increasing market share on its competitors. We continue to monitor marketing productivity closely to improve still further the effectiveness of our promotional spend.



\* The benchmark peer group used comprises: Alliance Trust Savings, Barclays Stockbrokers, E\*Trade Securities, Equiniti, Halifax Sharedealing, HSBC Stockbrokers, Natwest Stockbrokers, Saga Personal Finance, Selftrade, and T D Waterhouse Investor Services Europe.



The Share Centre has also been active in its business development throughout the year, particularly with its new emphasis on managed funds. We've launched the Fundholder, a new investor magazine highlighting funds worth following, and the Fund Centre, a new area of our website dedicated to analysis of investment funds, and the Platinum 120 'best of breed' collection of funds, specially chosen by our advisers to offer both performance and competitive fees. This new focus on managed funds has already started to produce results with a doubling in the value of funds in customer accounts over the past year. Meanwhile Sharefunds' Funds of Funds provides the vehicle for provision of a discretionary investment service tailored to risk appetite, and 2009 has seen it steadily increasing funds under management.

2009 has also seen the start of a major expansion of our Sharefunds fund administration business. This has been facilitated by an agreement in October 2009 with WAY Fund Managers Limited under which we will supply fund accounting services for the collective funds they manage and administer. In accordance with the agreement, Share plc also intends to make a minority investment in their holding company WAY Group Limited. This will enable us to grow our administration activities to compete in a field where investment management is increasingly being decoupled from administration functions.

Another of our business divisions, Sharemark, has also made progress in 2009, particularly in providing opportunities for quoted companies experiencing high bid-offer trading spreads which prevail on other markets in order to improve their liquidity. A recent such arrival on Sharemark has been Hygea, a mature VCT now generating profits but still experiencing high 'frictional' trading costs which are restricting marketability of their shares. There are now 23 lines of stock trading on Sharemark.

Looking forward, we are considering other new strategies for business and revenue growth in 2010. The country's worrying economic condition certainly means that everyone should save more for their retirement; and so, in the current fluid situation for retirement savings we are conducting a review of our pensions strategy to determine the best way forward following the forthcoming election. During 2009 we launched a Stakeholder pension in partnership with Legal & General, and we are looking to integrate investment services, including ISAs and Share Incentive Plans, within customer offerings embracing both self-selection and financial planning to provide a basis for lifetime investing.

Also, in the anticipation of a prolonged period of very low interest rates we are exploring further ways of increasing interest receipts on both client and house money. These include the potential use of collateralised deposit channels which can provide not only improved interest rates but also help ensure the security of those deposits. To give an indication of the potential benefits of improved rates, an improvement of 0.5% on the deposit rate earned could add in excess of £0.5 million to revenues and profits in a full year, given the cash balances currently held.

We have also pursued several significant acquisition opportunities. These have not resulted in transactions in every instance, however, the commitment and competitive stance we have taken has demonstrated our capability and improved our prospects for success in 2010. Moreover, the proposed investment in WAY Group Limited and the acquisition of the majority of the customer account base of Wills & Co Stockbrokers Limited are indicative of our ongoing acquisitive approach. We also intend to take the opportunity to produce a Registration Document. Whilst we have no specific current plans to use this document, it is a route opened up by the European Prospectus Directive which would enable us to fast-track any acquisition related capital raising in the year ahead. This is a route which has not yet been fully exploited within the United Kingdom.

The Group continues to have a very strong balance sheet with £13.8m of cash held (2008: £11.8m) and shareholder funds of £18.7m (2008: £17.3m). The performance during the year and our balance sheet strength enable us to continue our record of progressively increased dividend returns and I am pleased to be able to report that the Board is declaring an interim dividend of 0.25p per share in respect of the year to 31 December 2010. We are declaring an interim dividend in respect of 2010 rather than proposing a final dividend in respect of 2009 to enable payment of that dividend ahead of the end of the tax year when some shareholders may see increased marginal rates of tax. The dividend proposed at this time last year in respect of 2008 performance was 0.22p and this payment represents an increase of 13.6% - the seventh consecutive year the dividend paid has been increased by c.10% on the prior year.

Our plans for 2010 continue to evidence the innovation that has marked the Share plc story over the past ten years. Such initiatives have included the provision of free shares to customers, the establishment of Sharemark, and the successful lobby to enfranchise nominee shareholders in 2006. We are currently playing a significant part in returning retail Initial Public Offering (IPO) distribution capability to the UK market with a number of businesses, typically with retail customer bases, looking to come to market and to involve retail investors in that process. This could add further to revenues in 2010 and bring with it a wave of new investors attracted by the investment opportunities those IPOs present.

However it is our vision of 'more people enjoying straightforward investing' which drives the Group's main purpose. In this respect, it is worth considering the dilemma generally faced in retail investment activities: how to engage a society which increasingly looks for immediate fulfilment in an activity which primarily offers deferred gratification.

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At Share plc we believe that the key aspect of our vision which addresses this issue is 'enjoyment'. For it is in the evident enjoyment which we have seen so clearly in the rising tide of investors taking control of their own finances that we can marry the needs for both instant and deferred satisfaction. The £ tomorrow may seem far off and uncertain, however necessary it may be considered. However if the £ invested today can be made an enjoyable and rewarding experience today through The Share Centre, it will also provide the foundation for lifetime investing.

And in this simple approach lies also the seed of how to resolve the debate over the evolution of democratic capitalism, for it has been excess intermediation, not personal ownership, which is a cause of the financial crisis. People are the best judge of how much risk they want taken with their savings and investments, and the Share plc Group provides the catalyst for them to have that transparency and control, and to enjoy the experience.



Sir Martin Jacomb  
Chairman  
2 March 2010

## Consolidated Income Statement

	Notes	Year to 31 December 2009 (unaudited) £'000	Year to 31 December 2009 (audited) £'000
Revenue	4	14,128	11,973
Administrative expenses		(11,972)	(10,667)
Operating profit		2,156	1,306
Investment revenues		303	859
Other losses and gains		(114)	(55)
Non-recurring items – AIM costs		-	(655)
Profit before taxation		2,345	1,455
Taxation	6	(639)	(588)
Profit for the year		1,706	867
Basic earnings per share*	8	1.1p	0.5p
Diluted earnings per share*	8	1.1p	0.5p

All results are in respect of continuing operations.

\* The Directors consider that the underlying earnings per share presented in note 8 represent a more consistent measure of the underlying performance of the business as this measure excludes the impact of some items, including any large non-recurring items.

## Consolidated statement of comprehensive income

	Year ended 31 December 2009 (unaudited) £'000	Year ended 31 December 2008 (audited) £'000
Profit for the year	1,706	867
Gains/(losses) on revaluation of available-for-sale investments taken to equity	340	(3,097)
Exchange (losses)/gains on available-for-sale investments taken directly to equity	(170)	447
Recycled from equity to income in respect of the cash flow hedge	(2,566)	(134)
Gain on revaluation of cash flow hedge taken directly to equity	2,060	2,667
Tax on items taken directly to equity	95	33
Net loss recognised directly in equity	(241)	(84)
Total comprehensive income for the year	1,465	783
Attributable to equity shareholders	1,465	783

## Consolidated balance sheet

	31 December 2009 (unaudited) £'000	31 December 2008 (audited) £'000
<b>Non-current assets</b>		
Intangible assets	36	52
Property, plant and equipment	253	102
Available-for-sale investments	2,892	2,722
Deferred tax assets	157	155
	<b>3,338</b>	3,031
<b>Current assets</b>		
Trade and other receivables	9,549	6,669
Derivative financial instruments	2,033	2,653
Cash and cash equivalents	14,542	12,372
	<b>26,124</b>	21,694
<b>Total assets</b>	<b>29,462</b>	24,725
<b>Current liabilities</b>		
Trade and other payables	(9,117)	(5,709)
Current tax liabilities	(270)	(245)
	<b>(9,387)</b>	(5,954)
<b>Net current assets</b>	<b>16,737</b>	15,740
<b>Non-current liabilities</b>		
Deferred tax liabilities	(1,355)	(1,479)
<b>Total liabilities</b>	<b>(10,742)</b>	(7,433)
<b>Net assets</b>	<b>18,720</b>	17,292
<b>Equity</b>		
Share capital	804	801
Capital redemption reserve	19	19
Share premium account	1,072	931
Employee benefit reserve	(487)	(535)
Retained earnings	14,233	12,878
Revaluation reserve	3,079	3,198
<b>Equity shareholders' funds</b>	<b>18,720</b>	17,292

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	Share capital	Capital redemption reserve	Share premium account	Employee benefit reserve	Retained earnings	Revaluation reserve	Attributable to equity holders of the company
Balance at 1 January 2008	779	19	29	(439)	11,893	3,615	15,896
Total comprehensive income for the period	-	-	-	-	1,200	(417)	783
Issue of share capital	22	-	902	-	-	-	924
Dividends	-	-	-	-	(316)	-	(316)
Purchase of Employee Share Ownership Plans (ESOP) shares	-	-	-	(300)	-	-	(300)
Sales of ESOP shares	-	-	-	115	-	-	115
Cost of matching and free shares in the Share Incentive Plan	-	-	-	92	(92)	-	-
Profit on sale of ESOP shares and dividends received	-	-	-	(3)	3	-	-
Share based payment Credit	-	-	-	-	256	-	256
Deferred tax on share-based payment	-	-	-	-	(77)	-	(77)
Other Deferred tax	-	-	-	-	11	-	11
Balance at 31 December 2008	801	19	931	(535)	12,878	3,198	17,292
Total comprehensive income for the period	-	-	-	-	1,584	(119)	1,465
Issues of share capital	3	-	141	-	-	-	144
Dividends	-	-	-	-	(348)	-	(348)
Purchase of ESOP shares	-	-	-	(224)	-	-	(224)
Sales of ESOP shares	-	-	-	109	-	-	109
Cost of matching and free shares in the Share Incentive Plan	-	-	-	138	(138)	-	-
Profit on sale of ESOP shares and dividends received	-	-	-	25	(25)	-	-
Share based payment Credit	-	-	-	-	287	-	287
Deferred tax on share-based payment	-	-	-	-	6	-	6
Other Deferred tax	-	-	-	-	(11)	-	(11)
Balance at 31 December 2009	804	19	1,072	(487)	14,233	3,079	18,720

## Consolidated cash flow statement

	Notes	Year ended 31 December 2009 (unaudited) £'000	Year ended 31 December 2009 (audited) £'000
Net cash from operating activities	9	2,442	(874)
<b>Investing activities</b>			
Interest received		156	698
Dividend received from available-for-sale investments		147	161
Purchase of property, plant and equipment		(227)	(19)
Net cash received from investing activities		76	840
<b>Financing activities</b>			
Equity dividends paid		(348)	(316)
Issue of new shares		-	1,080
Net cash from/(used in) financing		(348)	764
Net increase in cash and cash equivalents		2,170	730
Cash and cash equivalents at the beginning of the year		12,372	11,642
Cash and cash equivalents at the end of the year		14,542	12,372

## Notes to the preliminary announcement

### 1 General information

Share plc is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is Oxford House, Oxford Road, Aylesbury, Buckinghamshire, HP21 8SZ. The nature of the Group's operations and its principal activities are set out in the Business Review in the full annual report which will be published in due course.

The preliminary announcement is presented in pounds sterling which is the currency of the primary economic environment in which the Group operates.

### 2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB (together "IFRS") as endorsed by the European Union.

In the current year, the following new and revised Standards and Interpretations relevant to the Group that have been adopted have impacted the presentation and disclosure in this preliminary announcement. The amounts reported in the preliminary announcement have not been affected by the adoption of these new Standards and Interpretations:

- IAS 1 (revised 2007) Presentation of Financial Statements
- IFRS 8 Operating Segments

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 annual financial statements to 31 December. Other subsidiaries are not included in the 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 Group's business activities together with the factors likely to affect its future development, performance and position, are set out in the Business Review of the full Annual Report for 2009 to be published shortly (see note 12). This also includes a discussion of the Group's cash flows and liquidity position as well as details of how the Group manages risk. The notes to the Financial Statements include a discussion of credit and liquidity risk. The financial risk management includes a cash flow hedge over an element of interest income.

The Group has considerable financial resources and no external debt. With a diversified customer base and core recurring revenue streams along with large elements of discretionary spending in the Group's cost base, the Directors believe that the Group is well placed to manage its business risks successfully despite the uncertain economic outlook. Therefore, after making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has continued to be used in the preparation of this preliminary announcement and the Annual Report and Financial Statements.

### 3 Accounting policies

The Group's detailed accounting policies are as detailed in the full financial statements which will be published shortly as per note 12 below. These policies are consistent with those applied in the financial statements for the year ended 31 December 2008 with the exception of the adoption of IFRS 8 Operating Segments. IFRS 8 was adopted by the Group during the year, but did not result in any material changes to the reported operating segments. Further information on the operating segments of the Group are shown in note 5 below.

### 4 Revenue

An analysis of the Group's revenue is as follows:

	2009 £'000	2008 £'000
Commission income	5,440	3,194
Fee income	4,651	4,638
Interest income on customer deposits	4,037	4,141
	14,128	11,973

## 5 Business and geographical segments

The Group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required the Group to identify two sets of segments (business and geographical), using a risks and returns approach, with the Group's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of IFRS 8, the identification of the Group's reportable segments has changed.

In prior years it was disclosed that the Group operated in only one business segment, being the provision of stock-broking and custodian services. Further, the Group has, and continues to, only operated in one geographic sector, being the UK. As a result, historically no additional business or geographic segment analysis has been shown.

The Group does analyse the source of its revenue, and in particular the mix between dealing commission, fees and interest margin as disclosed in note 4 above. However, information reported to the Group's Executive Committee and its Chief Executive for the purposes of resource allocation is more specifically focused on the business activity of different elements of the Group and the end customers they serve. The reportable segments are therefore represented by the following three business divisions.

The Share Centre – this is the main trading business and provides stock-broking and custodian services to retail investors. The vast majority of this business is done directly with those retail customers, though in some cases the relationship is through a third party, typically on a white-labelled basis.

Sharemark – this is the division which operates an alternative share market on which Share plc shares, amongst others, are dealt. This business division has a corporate customer base being those clients whose securities are traded on the Sharemark platform. The market is also provided to a third party, Investbx, on a white-label basis for the purposes of operating their platform and Sharemark may also generate consulting fees in respect of supporting those third parties.

Sharefunds – this is the division which operates a fund administration service. The division's customers are authorised funds for whom a range of administration services may be provided. This can include taking on the role of Authorised Corporate Director. In addition to external third party funds, Sharefunds acts as investment manager to Sharefunds' three Funds of Funds.

In 2009 Sharemark and Sharefunds contributed a combined total of less than £350,000 in revenues and as such neither is currently material to the Group's performance to a level where disclosure of the performance of the segment would be meaningful. In excess of 97% of the Group's revenues were derived from the principal business area – being The Share Centre – and the provision of stock-broking and custodian services to retail customers. As such, the Group has not made any further segmental disclosures on the grounds of materiality.

It should be noted that the Group is investing in the Sharefunds business in particular, and has recently agreed a commercial transaction with WAY Funds Managers Limited to take on the fund accounting for their funds. This, along with other opportunities in this area, means that the Group anticipates a significant growth in the revenues and contribution from Sharefunds such that in subsequent years' financial statements the disclosure of this information will be material.

It should be noted that the accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3 and that there were no major customers contributing more than 10% of revenues in the Group as a whole. The assets of the Group are principally used by The Share Centre. The services offered by the Group vary by business division as described above. However, within each business division there is only one principal revenue stream and therefore there is no separate or further segmentation by service offered.

## 6 Taxation

	2009 £'000	2008 £'000
Current taxation	(674)	(585)
Deferred taxation	35	(3)
	(639)	(588)

The tax assessed for the current year can be reconciled to the profit per the income statement as follows:

	2009 £'000	2008 £'000
Profit before taxation	2,345	1,455
Tax at 28% (2008: 28.5%)	(657)	(415)
<b>Effects of</b>		
Items not deductible for tax purposes	(29)	(157)
Prior year adjustments	(2)	-
UK dividend income	12	12
Rate differences on current tax	6	7
Share-based payments	31	(35)
	(639)	(588)

In addition to the amount charged to the income statement, deferred tax relating to the revaluation of the Group's investments amounting to £84,000 (2008: £44,000) has been credited directly to equity.

## 7 Distribution to shareholders

	2009 £'000	2008 £'000
Amounts recognised as distributions to equity holders in the period		
Final dividend paid in 2009 of 0.22 pence per ordinary share (2008: 0.20 pence)	353	320
Less amount received on shares held via ESOP	(5)	(4)
	348	316

The directors are not proposing a final dividend. However, the directors have declared an interim dividend of 0.25p per share in respect of the year to 31 December 2010. This would amount to a gross dividend payment of £401,000 given the current share capital. See note 10.

## 8 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue assuming conversion of all potential dilutive ordinary shares. The potential ordinary shares consist of those share options and warrants where the exercise price is less than the average price of the Company's ordinary shares during the year, and convertible loan notes. The calculation results in a difference of only a small fraction of a penny, which is eliminated altogether in roundings.

Underlying basic and diluted earnings per share are calculated as for basic and diluted earnings per share but using an adjusted earnings figure before any one-off gains, losses, income or expense. In 2008 the main adjustment was in respect of 'non-recurring expense' related to the AIM admission process which was completed successfully in May of that year. In 2009 the main adjustment relates to the Share-based payment charge. The directors consider that the underlying earnings per share represent a more consistent measure of the underlying performance of the Group.

	2009 £'000	2008 £'000
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share, being net profit attributable to equity holders of the parent company	1,706	867
Other gains and losses	114	55
Non-recurring expense – AIM costs	-	655
Share-based payments	287	256
Profit share impact of the above adjustments	(36)	(63)
Taxation impact of the above adjustments	(10)	(70)
Earnings for the purposes of underlying basic and diluted earnings per share	2,061	1,700

	Number (000s)	Number (000s)
<b>Number of shares)</b>		
Weighted average number of ordinary shares	162,839	160,857
Non vested shares held by employee share ownership trust	(2,297)	(2,537)
Basic earnings per share denominator	160,542	158,320
Effect of potential dilutive share options	1,003	1,252
Diluted earnings per share denominator	161,545	159,572
Basic earnings per share (pence)	1.1	0.5
Diluted earnings per share (pence)	1.1	0.5
Underlying basic earnings per share (pence)	1.3	1.1
Underlying diluted earnings per share (pence)	1.3	1.1

## 9 Note to the cash flow statement

	2009 £'000	2008 £'000
Operating profit	2,156	1,306
AIM costs paid	-	(924)
Other losses	22	(132)
Depreciation of property, plant and equipment	76	73
Amortisation of intangible assets	16	16
Share-based payments	293	277
Operating cash flows before movement in working capital	2,563	616
Increase in receivables	(2,896)	(953)
Increase in payables	3,424	253
Cash generated by operations	3,091	(84)
Income taxes paid	(649)	(790)
Net cash from operating activities	2,442	(874)

## **10 Post balance sheet events**

On 9 February 2010 the Company issued 17,800 new ordinary shares of 0.5p each. These were issued following the allotment of free shares under the Company's 2008 free share offer (further details of which are set out in the Company's AIM admission document dated 15 April 2008).

On 17 February 2010 the Company announced the acquisition of the trading business of approximately 11,000 customers from Wills & Co Stockbrokers Limited following that firm's censure by the FSA. This acquisition is not expected to make a material difference to the Group's revenues. The cost of the acquisition is not significant and will be met from any revenues earned from services provided to those customers. This will likely give rise to a positive difference between the fair value of the customer base acquired and the consideration due. That difference, being negative goodwill, will have to be recognised as a gain in 'Other gains and losses' in the Income Statement in the first half of 2010. This is a non-cash item arising from fair value accounting and it is too early to determine the value at this stage.

On 1 March 2010, the Company made a payment of £157,500 to WAY Group Limited, being the third and final instalment under the subscription agreement reached in October 2009. This payment became due following the successful transfer of fund accounting duties on some funds administered by WAY Fund Managers Limited to Sharefunds. The total amount now paid, including the third and final payment, is £472,500. On successful completion of 90% of the transfer of all agreed fund accounting duties to Sharefunds this sum will convert into an investment of c.5% of the ordinary issued share capital of WAY Group Limited. The third payment made on 1 March 2010 is not shown in these financial statements, the two payments made prior to the balance sheet date are included in Trade and Other Receivables.

Subsequent to the date of the balance sheet, the Board of Directors have declared an interim dividend in respect of the year ended 31 December 2010. This interim dividend of 0.25 pence per share is being declared as an interim dividend to enable payment of that dividend ahead of the end of the tax year when some shareholders may see increased marginal rates of tax. The gross interim dividend payment will be £401,000 given the current issued share capital. The directors anticipate returning to the normal pattern of dividend declaration and payment in 2011 with a final dividend being proposed at that time in respect of the full year 2010 results.

## **11 Preliminary announcement**

The financial information set out in this announcement does not constitute the Group's statutory accounts for the years ended 31 December 2009 or 2008. The financial information for the year ended 31 December 2008 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s237 (2) or (3) Companies Act 1985. The audit of the statutory accounts for the year ended 31 December 2009 is not yet complete. These accounts will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the Registrar of Companies following the Company's annual general meeting.

## **12 Availability of report and accounts**

The Group's full report and accounts will be dispatched to shareholders, including those in nominee accounts who have opted-in to receive it, as soon as is practicable. Copies will also be available on the Group's website, [www.shareplc.com](http://www.shareplc.com), and on request from the Group's head office at Oxford House, Oxford Road, Aylesbury, Bucks, HP21 8SZ.

## **13 Annual General Meeting**

The annual general meeting is to be held on Friday 25 June 2010. Notice of the AGM will be dispatched to shareholders with the Group's report and accounts.