hydrogen

Hydrogen Group Plc

15 September 2015

UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2015

The Board of Hydrogen Group plc ("**Hydrogen**" or the "**Group**") (AIM: HYDG) announces its unaudited results for the half year ended 30 June 2015.

Financial and Operating Highlights

- Net Fee Income ("NFI") declined by 30.8% (29.6% on a constant currency basis) to £10.1m (H1 2014: £14.6m) due primarily to:
  - Continued downward pressure on Oil and Gas NFI due to the sustained low oil price which has reduced Oil and Gas NFI by 62% to £1.7m (H1 2014: £4.5m)
  - 22.2% decline in NFI from largest customer to £1.4m (H1 2014: £1.8m). 17.6% decline on H2 2014 NFI of £1.7m
- Costs continue to be taken out of the business to reflect lower levels of NFI and an exceptional charge of £1.8m has been taken (H1 2014: £1.5m).
- Administrative expenses down 27.6% to £10.2m (H1 2014: £14.1m). Benefits on the cost savings are expected to flow through in the second half of the year.
- Headcount reduced to 214 (31 December 2014: 285)
- Operating loss before exceptional items £0.1m (H1 2014: Operating profit £0.5m)
- Operating profit of £0.1m (H1 2014: £0.5m) before exceptional items, and foreign exchange loss of £0.1m (H1 2014: £0.1m)
- Net cash position of £0.1m at period end (31 December 2014 net debt: £6.7m)
- Cash generation from operating activities before exceptional costs of £8.2m (£3.2m after adjusting for delayed payment from major customer at 31st December 2014) (H1 2014: £1.5m)
- Singapore continues to show strong growth outside Oil and Gas with NFI increasing by 65% on H1 2014
- UK Legal practice NFI increases NFI by 6% on H1 2014

Commenting, Ian Temple, CEO of Hydrogen Group plc said:

"With 30% our H1 2014 NFI in Upstream Oil and Gas the sustained and material drop in the price of oil was bound to have a substantial impact. We have managed to cope with the challenge with our strong and diversified business model producing a break-even underlying performance in difficult circumstances. Since taking over as CEO in March 2015 I have conducted a thorough review of the business. We have a strong position in a number of specialist markets with a great client base. I would like to thank our highly capable staff for their loyalty and efforts as we seek to get the business back into profitable growth"

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Hydrogen is a global specialist recruitment business with an annual turnover in excess of £120m. We build relationships by finding specialist candidates our clients have difficulty sourcing, placing professionals in more than 50 countries.

http://www.hydrogengroup.com/

Overview

The Group has gone through a period of restructuring and rebasing in reaction to the sustained and material drop in the oil price which has forced oil companies to significantly reduce their levels of hiring in upstream exploration. We have been working hard to offset the rate of decline and have moved quickly to bring our cost base down in line with the lower NFI.

We are experiencing some margin pressure, primarily in Oil and Gas, as clients try to manage their cost base. To kick-start growth we started a detailed review of the Practices which will be concluded in the second half of the year. Current indications are that there are opportunities within the existing practices to put Hydrogen back into growth mode and reverse the current downward pressure on our margins.

In EMEA we were affected by senior management changes destabilising the business at a time when many markets were in growth mode. In addition to downsizing our Oil and Gas practice, in the early part of the year we closed our Technology Permanent business, which had been consistently loss making, to focus our resources on the more profitable Contract revenue. Certain practices have successfully focused on niche areas within their sector and, through an in depth market knowledge, have shown growth. Our Legal practice has benefitted from this strategy with a 6% growth in NFI on H1 2014. In our Life Science practice we implemented a number of structural changes in H1 to enable it to continue on its longer term growth trajectory.

In APAC the Singapore office, excluding Oil and Gas, has seen a healthy NFI growth. Technology, with the help of a major client win in 2014, doubled in size in terms of NFI. Legal continued to build on its success and increased NFI by over 60% on H1 2014. However, Australia has also been hit by the Oil and Gas downturn and the other practices in that region have not shown sufficient growth to offset the decline in NFI.

Board changes

Tim Smeaton, CEO, and John Glover, CFO, both stepped down from the Board earlier on in the year and I moved from Chairman to CEO in March with Colin Adams joining as CFO in May. We have since moved quickly to bring our cost base down in line with the lower revenues. Martyn Phillips, Non-executive Director, will step down from the Board on 30 September to take up the role of CEO of the Welsh Rugby Union. Martyn has been on the Board since 2006 and has made a significant contribution to the Group during the period. I would like to thank him for all his support over the years and wish him well for the future.

Financial Highlights

Group revenue for the period declined by 24.5% (23.7% in constant currency) to £65.9m (H1 2014: £87.3m), and Group NFI by 30.8% (29.6% in constant currency) to £10.1m (H1 2014: £14.6m).

Approximately 38% of the Group's NFI for this period was denominated in currencies other than Sterling (H1 2014: 37%), with the Euro, USD, Singapore and Australian Dollars being the most significant.

Outside Oil and Gas, the Singapore business continued to grow strongly, with NFI increasing by 65% against the same period in 2014. Trading conditions in Australia remained difficult, resulting in a NFI decline of 53% (39% excluding Oil and Gas).

The benefits from the restructuring in 2014 have come through in the first half, with administration costs of £10.2m (H1 2014: £14.1m) 27.6% down on the comparative period and 11.3% down on the second half of 2014 (H2 2014: £11.5m). Headcount has further reduced from 285 at 31 December 2014 to 214 as at 30 June. The benefits of the cost reductions in the first half of the year are expected to flow through to the second half. However, this will be partly offset with some hiring in areas where we are forecasting sustainable growth.

Operating loss for the period before exceptional costs was £0.1m (H1 2014: profit, £0.5m). Loss before tax but after exceptional costs in the first half of £1.8m (H1 2014: £1.5m) and finance costs of £0.1m (H1 2014: £0.1m) gives £1.9m (H1 2014: £1.1m). Basic loss per share was 8.62p (H1 2014: 5.27p), and loss per share adjusted to exclude exceptional costs was 0.16p (H1 2014: earnings 1.42p). During the period an exceptional charge of £1.8m was taken (H1 2014: £1.5m) relating to redundancy costs and termination payments, and impairment of tangible fixed assets.

As the Group is going through a period of major transition, the Board has taken the decision not to pay an interim dividend. The Board will take a view on its dividend for the full year based on how the Group's performs in the second half of this year.

Cash flow

The business continued to be cash flow positive, generating £8.2m (H1 2014: £1.5m) from operating activities in the first six months of the year before payments of £0.5m (H1 2014: £0.4), related to exceptional costs of restructuring. There was however a delay in a client payment of £5.0m over the 2014 financial year end which, when adjusted for, reduces the £8.2m generated from operating activities to £3.2m. We have maintained our strong track record on cash collection. Trade receivables measured as days of sale outstanding (DSO) were 22 days (H1 2014: 22 days).

After tax payments of £0.1m (H1 2014: £0.1m), capital expenditure of £0.1m (H1 2014: £0.2) and dividend payments of £0.7m (H1 2014: £0.7m), the Group finished the period with net cash of £0.1m, an improvement of £6.8m from 31 December 2014. The Group retains an £18.0m invoice finance facility committed to February 2016.

Current Trading and Outlook

With the business having been through a period of major change, there are still a number of uncertainties surrounding the business moving back into growth in the short–term. Our review has already identified a number of growth opportunities and we are confident that by focusing on our practices key propositions we will shortly be in a position to move forward.

Ian Temple, CEO
Hydrogen Group Plc

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Note	**Six months ended**		Year ended
		30 June 2015	30 June 2014	31 December 2014
		£'000	£'000	£'000
Revenue	3	**65,884**	87,301	169,430
Cost of sales		**(55,774)**	(72,713)	(141,279)
Gross profit		**10,110**	14,588	28,151
Administration expenses		**(10,172)**	(14,137)	(25,599)
Operating (loss) / profit before exceptional items		**(62)**	451	2,552
Exceptional items	4	**(1,805)**	(1,488)	(1,988)
Operating (loss)/profit		**(1,867)**	(1,037)	564
Finance costs		**(54)**	(86)	(196)
Finance income		**-**	6	17
(Loss)/profit before taxation		**(1,921)**	(1,117)	385
Income tax	5	**80**	(55)	(479)
(Loss) for the period/year		**(1,841)**	(1,172)	(94)
Other comprehensive loss:				
Exchange differences on translating foreign operations		**(84)**	(50)	(69)
Other comprehensive loss		**(84)**	(50)	(69)
Total comprehensive loss for the period/year		**(1,925)**	(1,222)	(163)
Attributable to:				
Equity holders of the parent		**(1,925)**	(1,222)	(163)
Earnings per share				
Basic loss per share (pence)	7	**(8.18p)**	(5.27p)	(0.42p)
Diluted loss per share (pence)	7	**(8.12p)**	(5.05p)	(0.41p)
Adjusted basic loss per share (pence)	7	**(0.16p)**	1.42p	8.47p
Adjusted diluted loss per share (pence)	7	**(0.16p)**	1.36p	8.25p

The notes on pages 8 to 14 form an integral part of this unaudited condensed consolidated interim report.

Hydrogen Group Plc

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	**30 June 2015 £'000**	30 June 2014 £'000	31 December 2014 £'000
Non-current assets				
Goodwill		**13,658**	13,658	13,658
Other intangible assets		**889**	1,191	1,212
Property, plant and equipment		**770**	1,700	1,536
Deferred tax assets		**120**	169	52
Other financial assets	9	**265**	284	278
		15,702	17,002	16,736
Current assets				
Trade and other receivables	9	**22,116**	31,014	31,114
Cash and cash equivalents		**2,716**	2,211	5,975
		24,832	33,225	37,089
Total assets		**40,534**	50,227	53,825
Current liabilities				
Trade and other payables	10	**15,072**	18,042	15,416
Borrowings		**2,598**	6,030	12,704
Current tax liabilities		**39**	84	80
Provisions	11	**203**	1,075	308
		17,912	25,231	28,508
Non-current liabilities				
Deferred tax		**-**	20	34
Provisions	11	**67**	304	60
		-	324	94
Total liabilities		**17,979**	25,555	28,602
Net assets		**22,555**	24,672	25,223
Equity				
Capital and reserves attributable to the Company's equity holders:				
Called-up share capital		**239**	238	239
Share premium account		**3,521**	3,520	3,520
Merger reserve		**16,100**	16,100	16,100
Own shares held		**(1,312)**	(1,338)	(1,338)
Share option reserve		**2,042**	2,209	2,041
Translation reserve		**(280)**	(177)	(196)
Retained earnings		**2,245**	4,120	4,857
Total equity		**22,555**	24,672	25,223

The notes on pages 8 to 14 form an integral part of this unaudited condensed consolidated interim report.

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Called-up share capital £'000	Share premium account £'000	Merger reserve £'000	Own shares held £'000	Share option reserve £'000	Trans-lation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2014	237	3,519	16,100	(1,338)	2,184	(127)	5,986	26,561
Dividends	-	-	-	-	-	-	(694)	(694)
New shares issued	1	1	-	-	-	-	-	2
Share option charge	-	-	-	-	25	-	49	74
Transactions with owners	1	1			25		(694)	(667)
Loss for the 6m to 30.6.14	-	-	-	-	-	-	(1,172)	(1,172)
Other comprehensive income:	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	(50)	-	(50)
Total comprehensive loss for the period	-	-	-	-	-	(50)	(1,172)	(1,222)
At 30 June 2014	238	3,520	16,100	(1,338)	2,209	(177)	4,120	24,672
Dividends	-	-	-	-	-	-	(338)	(338)
Share option charge reversal	-	-	-	-	(168)	-	-	(168)
Tax on share options charge	-	-	-	-	-	-	(52)	(52)
New shares issued	1	-	-	-	-	-	-	1
Transactions with owners	1				(168)		(341)	(508)
Profit for the 6m to 31.12.14	-	-	-	-	-	-	1,078	1,078
Other comprehensive income:								-
Foreign currency translation	-	-	-	-	-	(19)	-	(19)
Total comprehensive loss for the period	-	-	-	-	-	(69)	(94)	(163)
At 31 December 2014	239	3,520	16,100	(1,338)	2,041	(196)	4,857	25,223
Dividends	-	-	-	-	-	-	**(698)**	**(698)**
Increase in share capital	-	**1**	-	-	-	-	-	**1**
Share option charge	-	-	-	**26**	**1**	-	-	**27**
Transactions with owners		**1**		**26**	**1**		**(698)**	**(670)**
Loss for the 6m to 30.6.15	-	-	-	-	-	-	**(1,841)**	**(1,841)**
Other comprehensive income:							**(84)**	**(84)**
Foreign currency translation	-	-	-	-	-	**(84)**	**11**	**(73)**
Total comprehensive loss for the period	-	-	-	-	-	**(84)**	**(1,841)**	**(1,925)**
At 30 June 2015	**239**	**3,521**	**16,100**	**(1,312)**	**2,042**	**(280)**	**2,245**	**22,555**

The notes on pages 8 to 14 form an integral part of this unaudited condensed consolidated interim report.

Hydrogen Group Plc
UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOW
For the six months ended 30 June 2015

	Note	Six months ended		Year ended
		30 June	30 June	31 December
		2015	2014	2014
		£'000	£'000	£'000
Net cash inflow/(outflow) from operating activities	8	**7,691**	1,145	(1,296)
Investing activities				
Finance income		**83**	6	17
Proceeds from disposal of property, plant and equipment		**16**	18	23
Purchase of property, plant and equipment		**-**	(19)	(18)
Purchase of software assets		**(101)**	(208)	(348)
Net cash used in investing activities		**(2)**	(203)	(326)
Financing activities				
Proceeds on issue of shares		**1**	2	3
(Decrease)/Increase in borrowings		**(7,105)**	-	5,130
Repayment of borrowings		**(3,000)**	(1,544)	-
Equity dividends paid	6	**(698)**	(694)	(1,032)
Net cash (used in)/generated from financing activities		**(10,802)**	(2,236)	4,101
Net (decrease)/increase in cash and cash equivalents		**(3,113)**	(1,294)	2,479
Cash and cash equivalents at beginning of period/year		**5,975**	3,559	3,559
Effect of foreign exchange rate movements		**(147)**	(54)	(63)
Cash and cash equivalents at end of period/year		**2,716**	2,211	5,975

UNAUDITED RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
For the six months ended 30 June 2015

	Six months ended		Year ended
	30 June	30 June	31 December
	2015	2014	2014
	£'000	£'000	£'000
(Decrease)/increase in cash and cash equivalents in the period/year	**(3,234)**	(1,348)	2,416
Decrease/(increase) in net debt resulting from cash flows	**10,079**	1,544	(5,130)
Movement in net debt in the period/year	**6,845**	196	(2,714)
Net debt at the start of the period/year	**(6,729)**	(4,015)	(4,015)
Net cash/(debt) at the end of the period/year	**116**	(3,819)	(6,729)

The notes on pages 8 to 14 form an integral part of this unaudited condensed consolidated interim report.

1 General information

Hydrogen Group plc ("the Company") and its subsidiaries' (together "the Group") principal activity is the provision of recruitment services for mid to senior level professional staff. The Group is organised into eight practices offering both Permanent and Contract specialist recruitment consultancy for large and medium sized organisations. The Group operates primarily in the technology, finance, professional, and engineering sectors. The Group is becoming increasingly international, with operations in Australia, Malaysia, Singapore and USA, and a number of internationally focused teams based in the UK.

Hydrogen Group plc is the Group's ultimate parent company. The Company is a limited liability company incorporated and domiciled in the United Kingdom. The address of Hydrogen Group's registered office and its principal place of business is 30-40 Eastcheap, London, EC3M 1HD, England. Hydrogen Group's shares are listed on the AIM Market.

These unaudited condensed consolidated interim report for the six months ended 30 June 2015 (including comparatives) are presented in GBP '000, and were approved and authorised for issue by the board of directors on 15 September 2014.

Copies of these interim results are available at the Company's registered office, 30 Eastcheap, London, EC3M 1HD, England, and on the Company's website – www.hydrogengroup.com.

This unaudited condensed consolidated interim report does not constitute statutory accounts of the Group within the meaning of section 434 of the Companies Act 2006. The financial information for the year ended 31 December 2014 has been extracted from the statutory accounts for that year, which have been filed with the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

2 Basis of preparation

The unaudited condensed consolidated interim report for the six months ended 30 June 2015 has been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRSs") and in accordance with IAS 34, 'Interim financial reporting' as adopted by the European Union. The unaudited condensed consolidated interim report should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which were prepared in accordance with IFRSs as adopted by the European Union.

These financial statements have been prepared under the historical cost convention.

To finance its working capital requirements the Group has an £18m invoice discounting facility, committed to February 2016. The maximum amount of the invoice discount facility utilised during the period was 67%. The Group's forecasts and projections demonstrate that this facility should be adequate to meet the Group's obligations as they fall due in the foreseeable future. Accordingly, the directors have adopted the going concern basis in preparing the interim report.

This unaudited condensed consolidated interim report has been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 December 2014.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of the condensed consolidated interim report.

3 Segment reporting

(a) Revenue, gross profit and operating profit by discipline

For management purposes, the Group is organised into two operating segments, Professional Support Services and Technical and Scientific, based on the discipline of the candidate being placed. Both of the operating segments have similar economic characteristics and share a majority of the aggregation criteria set out in IFRS 8.12.

	30 June 2015				30 June 2014				31 December 2014			
	Professional Support Services	**Technical and Scientific**	**Non-allocated**	**Total**	Professional Support Services	Technical and Scientific	Non-allocated	Total	Professional Support Services	Technical and Scientific	Non-allocated	Total
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	**47,091**	**18,793**	**-**	**65,884**	59,717	27,584	-	87,301	116,586	52,844	-	169,430
Gross profit	**6,681**	**3,429**	**-**	**10,110**	8,164	6,424	-	14,588	16,456	11,695	-	28,151
Depreciation and amortisation	**140**	**85**	**-**	**225**	186	154	-	340	325	250	-	575
Operating profit /(loss)before exceptional items	**1,262**	**(612)**	**(712)**	**(62)**	1,143	(38)	(654)	451	3,685	302	(1,435)	2,552
Finance costs				**(54)**				(86)				(196)
Finance income				**0**				6				17
(Loss)/profit before tax and exceptional items				**(116)**				371				2,373

Segment reporting (continued)

Revenue reported above represents revenue generated from external customers. There were no sales between segments in the six months (30 June 2014: Nil, 31 December 2014: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described above. Segment profit represents the profit earned by each segment without allocation of central administration costs, finance costs and finance income.

The information reviewed by the chief operating decision maker or otherwise regularly provided to the chief operating decision maker does not include information on net assets. The cost to develop this information would be excessive in comparison to the value that would be derived.

There is one external customer that represented more than 32% of the entity's revenues with revenue of £21,190,000, and approximately 13% of the Group's net fee income, included in the Professional Support Services segment (30 June 2014: one customer, revenue £27,510,000, Professional Support Services segment; 31 December 2014: one customer, revenue £53,800,000, Professional Support Services segment).

(b) Revenue and gross profit by geography

	Revenue			**Gross profit**		
	Six months ended		Year ended	**Six months ended**		Year ended
	30 June 2015 £'000	30 June 2014 £'000	31 Dec 2014 £'000	**30 June 2015 £'000**	30 June 2014 £'000	31 Dec 2014 £'000
UK	**54,298**	71,178	136,393	**6,394**	8,240	17,888
Rest of World	**11,586**	16,123	33,037	**3,716**	6,348	10,263
	65,884	87,301	169,430	**10,110**	14,588	28,151

(c) Revenue and gross profit by recruitment classification

	Revenue			**Gross profit**		
	Six months ended		Year ended	**Six months ended**		Year ended
	30 June 2015 £'000	30 June 2014 £'000	31 Dec 2014 £'000	**30 June 2015 £'000**	30 June 2014 £'000	31 Dec 2014 £'000
Permanent	**4,521**	6,543	12,897	**4,521**	6,543	12,897
Contract	**61,364**	80,758	156,533	**5,589**	8,045	15,254
	65,884	87,301	169,430	**10,110**	14,588	28,151

4 Exceptional items

Exceptional items are costs that are separately disclosed due to their material and non-recurring nature. They have arisen as a result of the comprehensive review of the Group's operations and actions implemented to reduce the Group's administration costs:

	Six months ended		Year ended
	30 June	30 June	31 December
	2015	2014	2014
	£'000	£'000	£'000
Redundancy costs and termination payments	**788**	718	1,186
Property costs	**69**	638	634
Tangible and intangible fixed asset write-off	**943**	108	69
Advisors' costs	**5**	24	66
Other	**-**	-	33
	1,805	1,488	1,988

5 Income tax expense

The charge for taxation on losses for the six months amounted to £20,000 (30 June 2014: £55,000, 31 December 2014: £479,000), being tax on overseas profits and adjustment to prior year amounts. A deferred tax credit of £100,000 on losses arising in the first half of the year (H1 2014: nil) has been recognised.

6 Dividends

	Six months ended		Year ended
	30 June	30 June	31 December
	2015	2014	2014
	£'000	£'000	£'000
Amounts recognised and distributed to shareholders in the period			
Interim dividend for the year ended 31 December 2014 of 1.5p per share (2013: 1.5p per share)	**-**	-	337
Final dividend for the year ended 31 December 2014 of 3.1p per share (2013: 3.1p per share)	**698**	694	695
	698	694	1,032

The interim dividend for 2014 was declared by the board on 10 September 2014, and was not recognised as a liability in the period to 30 June 2014. The final dividend for 2014 was proposed on 3 March 2015, and was not recognised as a liability in the year ended 31 December 2014.

7 Earnings per share

Earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue.

Fully diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares by existing share options and share incentive plans, assuming dilution through conversion of all existing options and shares held in share plans.

	Six months ended		Year ended
	30 June	30 June	31 December
	2015	2014	2014
	£'000	£'000	£'000
Earnings			
Loss for the period/year attributable to equity holders of the parent	**(1,841)**	(1,172)	(94)
Adjusted earnings			
Loss for the period	**(1,841)**	(1,172)	(94)
Exceptional costs	**1,805**	1,488	1,988
	(36)	316	1,894
Number of shares	**Number**	Number	Number
Weighted average number of shares used for earnings per share	**22,513,793**	22,253,478	22,361,997
Dilutive effect of share plans	**166,345**	968,580	588,529
Diluted weighted average number of shares used to calculate fully diluted earnings per share	**22,680,138**	23,222,058	22,950,526
	Pence	Pence	Pence
Basic loss per share	**(8.18)**	(5.27)	(0.42)
Fully diluted loss per share	**(8.12)**	(5.05)	(0.41)
Adjusted basic (loss) / earnings per share	**(0.16)**	1.42	8.47
Adjusted diluted (loss) / earnings per share	**(0.16)**	1.36	8.25

8 Cash flow from operating activities

	Six months ended 30 June 2015 £'000	30 June 2014 £'000	Year ended 31 December 2014 £'000
(Loss)/profit before taxation	**(1,921)**	(1,117)	2,373
Adjusted for:			
Exceptional items	**1,805**	1,488	-
Depreciation and amortisation	**226**	340	575
Decrease in provisions	**(98)**	-	(343)
Gain/(loss) on sale of property, plant and equipment	**5**	16	(24)
Share based payments	**-**	25	(143)
Net finance costs	**54**	80	179
Operating cash flows before movements in working capital	**71**	832	2,617
(Decrease)/Increase in receivables	**9,113**	(1,560)	(1,445)
(Decrease)/Increase in payables	**(885)**	2,415	(481)
Cash generated from operating activities	**8,298**	1,687	691
Income taxes paid	**(20)**	(87)	(308)
Finance costs	**(54)**	(86)	(196)
Net cash inflow from operating activities before exceptional costs	**8,224**	1,514	187
Cash flows arising from exceptional costs	**(533)**	(369)	(1,483)
Net cash inflow/(outflow) from operating activities	**7,691**	1,145	(1,296)

9 Trade and other receivables

	Six months ended 30 June 2015 £'000	30 June 2014 £'000	Year ended 31 December 2014 £'000
Trade receivables	**9,321**	11,392	16,186
Allowance for doubtful debts	**(44)**	(111)	(109)
Prepayments and accrued income	**12,727**	19,482	14,982
Other receivables			
- due within 12 months	**111**	251	55
- due after more than 12 months	**265**	284	278
	22,381	31,298	31,392
Current	**22,116**	31,014	31,114
Non-current	**265**	284	278

10 Trade and other payables

	Six months ended 30 June 2015 £'000	30 June 2014 £'000	Year ended 31 December 2014 £'000
Trade payables	**1,316**	1,024	310
Other taxes and social security	**600**	729	928
Other payables	**929**	1,045	805
Accruals and deferred income	**12,227**	15,244	13,373
	15,072	18,042	15,416
Current	**2,845**	2,798	2,043
Non-current	**12,227**	15,244	13,373

11 Provisions

	Leasehold dilapidations £'000	Onerous contracts £'000	Redundancy and other restructuring costs £'000	Total £'000
At 1 January 2014	276	-	-	276
New provision	34	599	470	1,103
At 30 June 2014	310	599	470	1,379
Exchange	(1)	-	-	(1)
New provision	7	(164)	-	(157)
Unutilised provision released	(203)	-	-	(203)
Utilised	(53)	(127)	(470)	(650)
At 31 December 2014	60	308	-	368
New provision	**7**	-	-	**7**
Utilised	-	(105)	-	(105)
At 30 June 2015	**67**	**203**	**-**	**270**
Current	**-**	**203**	**-**	**203**
Non-current	**67**	**-**	**-**	**67**

The onerous lease contracts predominantly relate to surplus accommodation within the Group's London HQ at 30 Eastcheap. Following discussions with advisors the Group has taken an exceptional charge for 18 months' costs relating to this space to cover the marketing void and rent free incentive that is assumed would be required to sublet this space. No rent shortfall has been assumed for the duration of any sub-lease.

The Group has also taken an exceptional charge for contractual amounts outstanding to employees serving notice of termination of employment at the balance sheet date.