AJBell
Holdings Limited

Freedom to grow

Interim report and unaudited condensed consolidated financial statements

For the six months ended 31 March 2015

Contents

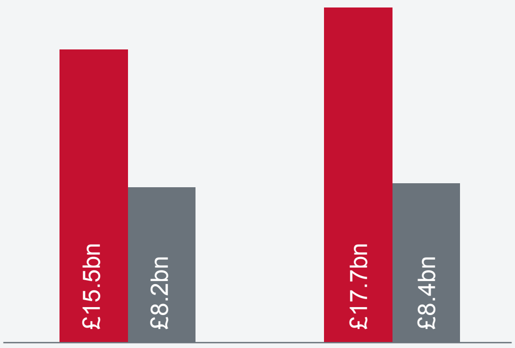
Highlights

Key performance indicators

Assets under administration

£26.1 bn

↑ 10%



30 September 2014
£23.7bn

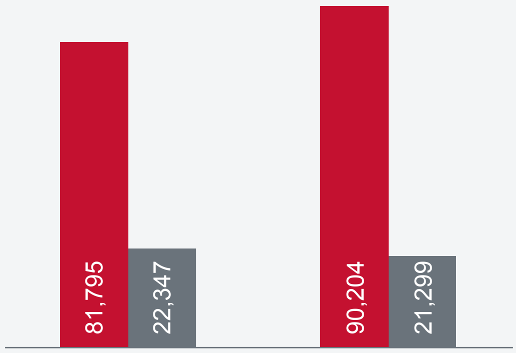
31 March 2015
£26.1bn

■ Platform
■ Non-platform

Total number of retail customers

111,503

↑ 7%



30 September 2014
104,142

31 March 2015
111,503

■ Platform
■ Non-platform

Key financial information

Revenue

£27.8m

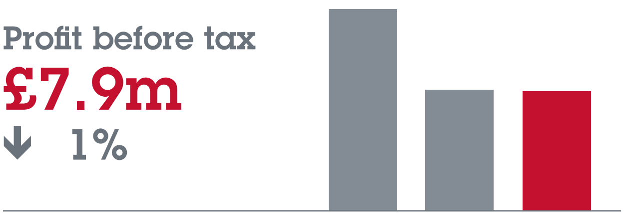
↑ 7%

2013	2014	2015
£29.1m	£26.1m	£27.8m

Profit before tax

£7.9m

↓ 1%



2013	2014	2015
£13.3m	£8.0m	£7.9m

Interim dividend

9.50p

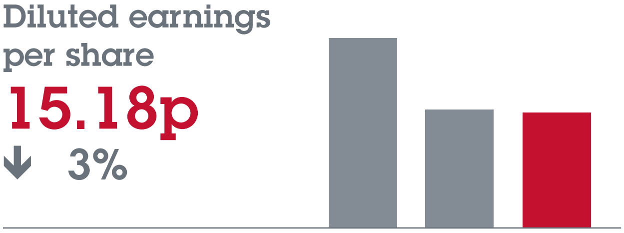
↔ 0%

2013	2014	2015
9.50p	9.50p	9.50p

Diluted earnings per share

15.18p

↓ 3%



2013	2014	2015
25.04p	15.57p	15.18p

Joint statement from the Chairman and Chief Executive

Les Platts
Chairman

Andy Bell
Chief Executive

We are pleased to present our interim report for the six-month period to 31 March 2015.

Operational review

Our two key performance measures, retail customers and AUA, continued to grow at an impressive rate during the first six months of the financial year.

Retail customer numbers grew by 7%, up from an opening position of 104,142 to a closing position of 111,503 at 31 March 2015. This growth was fuelled predominantly by the Group's two flagship platform products, AJ Bell Investcentre and AJ Bell Youinvest. The growing customer base of these two products led to AUA increasing by 10% to £26.1bn, representing record growth of £2.4bn for the first six months of the year. The value of transfers in, contributions and subscriptions also reached record levels, adding just over £1.6bn of assets during the period with favourable market movements contributing a further increase of £1.1bn.

The strong underlying performance is particularly impressive given the backdrop of political uncertainty in the run up to the general election which will undoubtedly have led many customers to defer their investment decisions.

Financial performance

Revenue for the period totalled £27.8m, an increase of 7% compared with the first six months of the previous financial year. Profit before tax for the period was £7.9m, marginally lower than the £8.0m reported in 2014. EPS fell to 15.3 pence from the 15.6 pence reported 12 months ago.

The underlying growth in the business generated increased revenues from investment administration, dealing and custody fees. This growth in revenue was achieved despite significantly reduced returns on cash deposits which saw interest income fall for a second consecutive year. The downward pressure on interest income stemmed from the wider economic environment comprising low base rates, the funding for lending scheme and tight LIBOR spreads, compounded by changes in regulation governing both UK banks and investment firms.

The impact of the wider economic environment on profits has been largely mitigated as a consequence of the growth in non-interest revenues, combined with efficiency gains generated by our new administration system. This strong financial performance during challenging economic conditions reflects the stability and resilience of our underlying business model.

Financial position

The Board declared an interim dividend of 9.50 pence per share, in line with the interim dividend declared in the previous three years. The dividend per share has been maintained at this level due to the strong financial position of the business and its continued underlying growth.

The Group's financial position is extremely robust and is financed entirely by equity with net assets totalling £49.3m, of which £31.6m is comprised of corporate cash balances. The operating cycle of the business is such that the profit generated in any period is realised almost entirely in cash. The financial strength of the business provides our customers with the assurance that we have sufficient capital to withstand significant adverse external events.

Joint statement from the Chairman and Chief Executive (cont)

Significant events

In comparison to the previous year, the changes announced in the 2015 budget were relatively minor. This was welcome news following the revolutionary changes announced 12 months earlier. There was some good news for savers in the form of increased ISA flexibility, the introduction of Personal Savings Allowance and the Help to Buy ISA. However, the announcement that the lifetime allowance for pension savers is to be reduced to £1m from April 2016 was disappointing. This serves only to punish investment growth as benefits are already restricted by the annual allowance that can be contributed each year.

The weeks leading up to, and following, every tax year end are always extremely busy and this year was no exception, with significant work being required to prepare for the introduction of the pension freedoms rules announced in 2014. The new legislation became effective on 6 April 2015 and implementing the new rules within such short timescales has been challenging for the industry as a whole. The hard work and commitment of our staff over the last 12 months enabled us to meet this challenge with all of our systems, websites and literature being updated on time. In addition to these fundamental changes, we also ensured that other legislative changes effective from the start of the new tax year were implemented, such as being ready to accept our customers' transfers from Child Trust Funds to Junior ISAs.

The increased flexibility provided by the pension freedoms rules has been criticised by some sections of the media, with suggestions that it could lead to irresponsible behaviour such as customers withdrawing all of their savings to fund extravagant purchases. Whilst it may be too early to draw firm conclusions, it is reassuring that in the period since the introduction of the rules, there has been no significant change in our customers' behaviour, which is in line with our expectations.

The Group's digital strategy project continues to gain momentum and we are starting to see the benefits from a number of key initiatives. Since the year-end, we have completed the first phase of improvements to the AJ Bell Youinvest website as well as introducing our new iPhone and iPad applications, with an Android version to follow. These releases form a key part of our plan to align our websites and mobile applications with the new corporate branding unveiled as part of our recent rebranding exercise. In the second half of the year we will continue to build on our recent successes with AJ Bell Youinvest by developing a number of planned enhancements for AJ Bell Investcentre.

Principal risks and uncertainties

We continually review the principal risks and uncertainties facing the Group that could pose a threat to the delivery of our strategic objectives. The principal risks and uncertainties for the remainder of the current financial year, comprising industry, operational and financial risks, are the same as those presented on pages 16 to 18 of the 2014 consolidated financial statements.

Outlook

The outlook for the platform market remains very positive with the majority of the legislative changes introduced over the last 12 months being seen as favourable. However, the economic environment continues to present challenges with deflationary concerns ensuring that the current consensus view is that an increase in base rate is now unlikely until 2016. The low interest rate environment will continue to suppress interest income, as it has done for a number of years, but our balanced revenue model ensures we remain well positioned to deal with this.

The regulatory environment is constantly evolving and this will continue to present challenges within the industry. There is an increasing level of scrutiny on the platform market as a whole and new rules are regularly being introduced, such as the new capital framework for SIPP operators, effective from 1 September 2016. The increased regulatory burden can require a lot of management time and focus. However, our prudent approach of maintaining substantial capital and cash balances, in both our regulated companies and at a consolidated level, ensures we are well placed to deal with any potential increases in regulatory capital requirements if the need arises.

The recent tax year end was one of the busiest we have ever had, but the investment in our new administration system, complemented by the skill and commitment of our staff, ensured that service levels were maintained despite volumes in some areas increasing by up to 200%. The Group's aim is to further build on this success and our new administration system provides the stability and resilience to achieve this whilst continuing to grow the business.

Our customers continue to be at the heart of everything we do, as captured within our strategic aim to become the easiest platform to use. This is reflected not only in our commitment and ability to implement changes within a short period of time when necessary, such as updating our systems, websites and product literature following the introduction of the pension freedoms rules, but also by the ongoing planned development of our products. We will continue to work on our digital strategy during the second half of the year, with further developments planned on our websites, guided investments functionality and streamlining of our account application process. The continuing development of our websites and customer interfaces remains pivotal to achieving our strategic aims.

Conclusion

A willingness to change and adapt is embedded in our culture, but year after year we seem to face unprecedented levels of regulatory change. Our staff embrace this challenge of change with a resilience and steely determination that is a credit to every one of them. We would therefore like to conclude this statement by thanking our staff for their support and commitment to the continued growth of the business and for living the AJ Bell values.

Les Platts
Chairman

Andy Bell
Chief Executive Officer

Financial statements

Unaudited condensed consolidated income statement

For the six months ended 31 March 2015

	Notes	Unaudited Six months ended 31 March 2015 £'000	Unaudited Six months ended 31 March 2014 £'000	Audited Year ended 30 September 2014 £'000
Revenue		27,814	26,085	53,493
Administrative expenses		(20,019)	(18,204)	(37,579)
Operating profit		7,795	7,881	15,914
Investment revenue		87	122	234
Finance costs		(17)	(17)	(31)
Profit before tax		7,865	7,986	16,117
Taxation	4	(1,629)	(1,653)	(3,594)
Profit for the period attributable to equity holders of the parent company		6,236	6,333	12,523
Earnings per ordinary share:				
Basic (pence)	5	15.26	15.63	30.87
Diluted (pence)	5	15.18	15.57	30.76

The notes and information on pages 14 to 20 form part of the unaudited condensed consolidated financial statements. All income, profit and earnings are in respect of continuing operations.

There were no other components of recognised income or expense in any period and consequently no statement of other comprehensive income has been presented.

Unaudited condensed consolidated statement of financial position

As at 31 March 2015

	Notes	Unaudited 31 March 2015 £'000	Unaudited 31 March 2014* £'000	Audited 30 September 2014 £'000
Assets				
Non-current assets:				
Goodwill		1,957	1,957	1,957
Other intangible assets	6	7,484	9,056	8,281
Property, plant and equipment		1,187	792	1,249
		10,628	11,805	11,487
Current assets:				
Trade and other receivables		11,541	11,360	11,484
Client and market receivables		74,258	63,705	43,328
Cash and cash equivalents		31,583	29,383	33,222
		117,382	104,448	88,034
Total assets		128,010	116,253	99,521
Liabilities				
Current liabilities:				
Trade and other payables		(6,226)	(5,581)	(5,479)
Client and market payables		(69,775)	(61,152)	(41,692)
Current tax liabilities		(1,797)	(1,758)	(1,970)
Obligations under finance leases		(101)	(48)	(100)
Provisions		(68)	(68)	(68)
		(77,967)	(68,607)	(49,309)
Non-current liabilities:				
Obligations under finance leases		(154)	(88)	(203)
Provisions		(398)	(329)	(398)
Other payables		(74)	(43)	(57)
Deferred tax liability		(77)	(234)	(168)
		(703)	(694)	(826)
Total liabilities		(78,670)	(69,301)	(50,135)
Net assets		49,340	46,952	49,386
Equity				
Share capital		40	40	40
Share premium		1,198	900	1,085
Capital redemption reserve		-	11	-
Retained earnings		48,102	46,001	48,261
Total equity attributable to equity holders of the parent company		49,340	46,952	49,386

* Restated – see note 2 to the financial statements

The notes and information on pages 14 to 20 form part of the unaudited condensed consolidated financial statements.

The unaudited condensed consolidated financial statements were approved by the Board of Directors on 21 May 2015 and were signed on its behalf by:

Michael Summersgill
Director

Unaudited condensed consolidated statement of changes in equity
For the six months ended 31 March 2015

	Notes	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 October 2013		40	639	-	45,999	46,678
Total comprehensive income for the period:						
Profit for the period		-	-	-	6,333	6,333
Transactions with owners, recorded directly in equity:						
Issue of share capital		-	272	-	-	272
Share repurchase			(11)	11	(7)	(7)
Dividends	8	-	-	-	(6,297)	(6,297)
Credit to equity in respect of share-based payments	9	-	-	-	10	10
Deferred tax effect of share-based payments	4	-	-	-	(39)	(39)
Tax relief on exercise of share options	4	-	-	-	2	2
Total transactions with owners		-	261	11	(6,331)	(6,059)
Balance at 31 March 2014		40	900	11	46,001	46,952
Balance at 1 October 2014		40	1,085	-	48,261	49,386
Total comprehensive income for the period:						
Profit for the period		-	-	-	6,236	6,236
Transactions with owners, recorded directly in equity:						
Issue of share capital	7	-	113	-	-	113
Share repurchase	7	-	-	-	-	-
Dividends	8	-	-	-	(6,422)	(6,422)
Credit to equity in respect of share-based payments	9	-	-	-	18	18
Deferred tax effect of share-based payments	4	-	-	-	9	9
Tax relief on exercise of share options	4	-	-	-	-	-
Total transactions with owners		-	113	-	(6,395)	(6,282)
Balance at 31 March 2015		40	1,198	-	48,102	49,340

The notes and information on pages 14 to 20 form part of the unaudited condensed consolidated financial statements.

Unaudited condensed consolidated statement of cash flows
For the six months ended 31 March 2015

	Notes	Unaudited Six months ended 31 March 2015 £'000	Unaudited Six months ended 31 March 2014* £'000	Audited Year ended 30 September 2014 £'000
Net cash from operating activities	10	4,861	3,755	11,949
Investing activities				
Purchase of other intangible assets		(52)	(776)	(945)
Purchase of property, plant and equipment		(178)	(171)	(650)
Interest received		87	122	234
Net cash used in investing activities		(143)	(825)	(1,361)
Financing activities				
Payment of obligations under finance leases		(48)	(21)	(65)
Proceeds from issue of share capital		113	272	446
Repurchase of own shares		-	(7)	(99)
Dividends paid	8	(6,422)	(6,297)	(10,154)
Net cash used in financing activities		(6,357)	(6,053)	(9,872)
Net increase in cash and cash equivalents		(1,639)	(3,123)	716
Cash and cash equivalents at beginning of period		33,222	32,506	32,506
Total cash and cash equivalents at end of period		31,583	29,383	33,222

* Restated – see note 2 to the financial statements

The notes and information on pages 14 to 20 form part of the unaudited condensed consolidated financial statements.

Notes to the unaudited condensed consolidated financial statements
For the six months ended 31 March 2015

1. General information

The Company is incorporated and registered in England and Wales. The address of the registered office is given on page 22.

These unaudited condensed consolidated financial statements do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The consolidated financial statements for the year ended 30 September 2014 have been reported on by the Company's auditor and delivered to the registrar of companies. The report of the auditor was:

(i) unqualified, and

(ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and

(iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements of the Group for the year ended 30 September 2014 are available to view online at www.ajbell.co.uk.

2. Basis of preparation

Going concern

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

Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 September 2014.

Change in accounting policy

During the year ended 30 September 2014 there was a change in accounting policy relating to clients' settlement cash balances which were previously disclosed as cash held on behalf of clients and included within cash and cash equivalents. Clients' settlement cash balances represent the Group's right to receive cash from clients, who hold cash balances with the Group under a trust arrangement, to meet the Group's settlement obligations incurred on their behalf. These balances were therefore reclassified for the year ended 30 September 2014 as client and market receivables, which better reflects their underlying substance as a debtor to the Group. The effect of this change on the financial statements for the six months ended 31 March 2015 is to reduce the clients' settlement cash balances by £26.7m with a corresponding increase to client and market receivables. The subsequent impact on the cash flow statement for the six months ended 31 March 2014 is that net cash from operating activities was reduced by £4.7m. The directors have elected not to prepare a third consolidated statement of financial position following the change in accounting policy as there would be no impact on net assets or profit for the year. The effect of the change on the prior interim consolidated statement of financial position is to reduce clients' settlement cash balances by £25.3m with a corresponding increase to client and market receivables.

Accounting judgements and estimates

The judgements, estimates and assumptions made by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 September 2014.

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 30 September 2014.

Notes to the unaudited condensed consolidated financial statements
For the six months ended 31 March 2015

3. Seasonality of operations

There is a peak in the Group's operational activity around the tax year-end. This impacts the financial results primarily in March and April, either side of the interim period-end. As such, no significant seasonal fluctuations affect the first or second half of the Group's financial year in isolation.

4. Taxation

An analysis of the charge recognised in the condensed consolidated income statement is presented below:

	Six months ended 31 March		Year ended 30 September
	2015 £'000	2014 £'000	2014 £'000
Current tax	1,712	1,758	3,669
Adjustment to current tax in respect of prior period	-	(76)	(2)
Deferred tax			
Origination and reversal of temporary differences	(82)	(20)	(90)
Change in recognised deductible temporary differences	(1)	(1)	23
Reduction in tax rate	-	(8)	(6)
Tax charge per the condensed consolidated income statement	1,629	1,653	3,594

Corporation Tax for the six months ended 31 March 2015 is calculated at 20.5% (six months ended 31 March 2014: 22%; year ended 30 September 2014: 22%), representing the average annual effective tax rate expected for the full year, applied to the estimated assessable profit for the six-month period.

In addition to the amount charged to the condensed consolidated income statement, certain tax amounts have been charged/(credited) directly to equity as follows:

	Six months ended 31 March		Year ended 30 September
	2015 £'000	2014 £'000	2014 £'000
Deferred tax relating to share-based payments	(9)	(39)	16
Current tax relief on exercise of share options	-	2	(6)
	(9)	(37)	10

Notes to the unaudited condensed consolidated financial statements
For the six months ended 31 March 2015

The charge for the period can be reconciled to the profit before tax per the condensed consolidated income statement as follows:

	Six months ended 31 March 2015 £'000	Six months ended 31 March 2014 £'000	Year ended 30 September 2014 £'000
Profit before tax	7,865	7,986	16,117
Profit before tax multiplied by the standard rate of Corporation Tax in the UK of 20.5% (six months ended 31 March 2014: 22%; year ended 30 September 2014: 22%)	1,612	1,757	3,546
Effects of:			
Expenses not deductible	21	6	31
Adjustments to current tax in respect of prior period	-	(76)	21
Change in recognised deductible temporary differences	(4)	(25)	(4)
Reduction in tax rate	-	(9)	-
Total tax expense in condensed consolidated income statement	1,629	1,653	3,594
Effective tax rate	20.7%	20.7%	22.3%

5. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the parent company by the weighted average number of ordinary, non-voting ordinary, A non-voting ordinary and B non-voting ordinary shares in issue during the period.

B non-voting ordinary shares were issued for the first time during the period, as disclosed in more detail in note 9.

Diluted earnings per share is calculated by adjusting the weighted average number of shares in all classes outstanding to assume exercise of all potentially dilutive share options.

	Six months ended 31 March 2015 £'000	Six months ended 31 March 2014 £'000	Year ended 30 September 2014 £'000
Earnings for the purposes of basic and diluted earnings per share being profit attributable to equity holders of the parent company	6,236	6,333	12,523
Number of shares			
Weighted average number of ordinary shares (for the purposes of basic earnings per share) in issue during the period	40,865,422	40,511,176	40,568,194
Effect of potentially dilutive share options	227,803	168,750	144,002
Weighted average number of ordinary shares for the purposes of fully diluted earnings per share	41,093,225	40,679,926	40,712,196

Notes to the unaudited condensed consolidated financial statements
For the six months ended 31 March 2015

6. Other intangible assets

	Six months ended 31 March		Year ended 30 September
	2015 £'000	2014 £'000	2014 £'000
Carrying value			
Computer software	461	608	593
Assets under construction	-	239	-
Customer contracts and non-contractual customer relationships	756	1,030	894
Key operating system	6,267	7,179	6,794
	7,484	9,056	8,281

As disclosed in note 12 to the consolidated financial statements for the year ended 30 September 2014, during the year ended 30 September 2010, the Group embarked upon a project to renew its IT infrastructure and administration systems in order to enhance its products and services. The final phase of the project completed in the year ended 30 September 2014 and the remaining assets held as assets under construction were brought into use.

An analysis of the movement in the prior period is provided below:

	Purchased software £'000	External consultancy costs £'000	Internal costs £'000	Total £'000
Cost				
As at 1 October 2013	20	1,129	422	1,571
Additions	1	421	318	740
Transfers	-	(1,413)	(659)	(2,072)
As at 31 March 2014	21	137	81	239
Additions	-	-	-	-
Transfers	(21)	(137)	(81)	(239)
As at 30 September 2014	-	-	-	-
Additions	-	-	-	-
Transfers	-	-	-	-
As at 31 March 2015	-	-	-	-

The directors are satisfied that there are no indicators of impairment to the costs capitalised as assets under construction.

Notes to the unaudited condensed consolidated financial statements
For the six months ended 31 March 2015

7. Share capital and share premium

The following share transactions have taken place during the period:

Transaction type	Share class	Number of shares	Premium £'000
Exercise of options	Ordinary voting shares of 0.1p each	15,864	31
New issue under OTB	B non-voting ordinary shares of 0.1p each	167,102	33
New issue under OTB	A non-voting ordinary shares of 0.1p each	69,400	1
99.8% balance on partly-paid shares called up and paid	A non-voting ordinary shares of 0.1p each	5,843	25
99.7% balance on partly-paid shares called up and paid	A non-voting ordinary shares of 0.1p each	6,600	23
			113

8. Dividends

	Six months ended 31 March 2015 £'000	Six months ended 31 March 2014 £'000	Year ended 30 September 2014 £'000
Amounts recognised as distributions to equity holders during the period:			
Interim dividend for the year ended 30 September 2014 of 9.50p (2013: 9.50p) per share	-	-	3,857
Final dividend for the year ended 30 September 2014 of 15.75p (2013: 15.50p) per share	6,422	6,297	6,297
Ordinary dividends paid on equity shares	6,422	6,297	10,154

The proposed dividend of 9.50 pence per share was approved by the Board on 21 May 2015 and has not been included as a liability as at 31 March 2015.

Notes to the unaudited condensed consolidated financial statements
For the six months ended 31 March 2015

9. Share-based payment transactions

Equity-settled share option schemes

The Group continues to operate its equity-settled share option schemes which were detailed in note 23 to the 2014 consolidated financial statements.

During the current period, a total of 130,254 (six months ended 31 March 2014 and year ended 30 September 2014: 20,715) options were granted under the CSOP. The fair value of these options has been estimated using the Black-Scholes method.

The expense recognised in the period, relating to the HMRC-approved CSOP, was £14,000 (six months ended 31 March 2014: £10,000; year ended 30 September 2014: £13,000).

Reconciliation of the movement in the aggregate number of EMI and CSOP share options

	31 March 2015		31 March 2014		30 September 2014	
	Number of options	Weighted average exercise price (£)	Number of options	Weighted average exercise price (£)	Number of options	Weighted average exercise price (£)
Outstanding at the beginning of the period	460,819	2.69	537,644	2.72	537,644	2.72
Granted during the period	130,254	3.50	20,715	3.80	20,715	3.80
Exercised during the period	(364)	3.50	(22,167)	3.00	(27,604)	2.82
Forfeitures	(19,707)	3.28	(37,408)	3.22	(69,936)	3.16
Outstanding at the end of the period	571,002	2.86	498,784	2.71	460,819	2.69
Exercisable at the end of the period	300,645	2.01	234,590	1.94	251,653	1.65

Option to buy shares scheme

The Group continues to operate its option to buy shares scheme which was detailed in note 23 to the 2014 consolidated financial statements.

During the period, awards under this scheme were made to members. This consisted of the 130,254 share options granted under the CSOP, the issue of A non-voting ordinary shares and the issue of B non-voting ordinary shares as disclosed in note 7.

The A non-voting ordinary shares were issued at market value and therefore no share-based payment charge was recognised in respect of these shares.

The B non-voting ordinary shares (Growth shares) are a new share class offered to management which will effectively replace the A non-voting ordinary share class during the current financial year. Growth shares entitle the holder to participate in any growth in value of the Group above a certain threshold level, which is set in excess of the market value of the Group at the time that the shares are acquired. Growth shares carry no dividend entitlement.

We have estimated the value of Growth shares using a generally accepted valuation model. The expense recognised in the period, relating to the issue of 167,102 Growth shares (B non-voting ordinary shares), was £4,000 (six months ended 31 March 2014: £Nil; year ended 30 September 2014: £Nil).

Notes to the unaudited condensed consolidated financial statements
For the six months ended 31 March 2015

10. Notes to the statement of cash flows

	Six months ended 31 March		Year ended 30 September
	2015 £'000	2014* £'000	2014 £'000
Profit for the period	6,236	6,333	12,523
Adjustments for:			
Investment revenue	(87)	(122)	(234)
Finance costs	17	17	31
Income Tax expense	1,629	1,653	3,594
Depreciation of property, plant and equipment	235	236	436
Amortisation of intangible assets	849	779	1,753
Share-based payment expense	18	10	2
Increase in provisions and other payables	17	28	111
Loss on disposal of property, plant and equipment	5	-	2
Operating cash flows before movements in working capital	8,919	8,934	18,218
Increase in receivables	(30,987)	(23,663)	(3,410)
Increase in payables	28,830	21,163	1,601
Cash generated from operations	6,762	6,434	16,409
Income Taxes paid	(1,884)	(2,662)	(4,429)
Interest paid	(17)	(17)	(31)
Net cash from operating activities	4,861	3,755	11,949

* Restated – see note 2 to the financial statements

11. Related party transactions

The Group has a related party relationship with its subsidiaries, its directors and key management personnel. There have been no other material changes to related party transactions from those disclosed in note 24 to the 2014 consolidated financial statements.

Definitions

The following definitions are used throughout the interim report and condensed consolidated financial statements:

AUA	Assets Under Administration
Company	AJ Bell Holdings Limited
CSOP	Company Share Option Plan
EMI	Enterprise Management Incentive
FCA	Financial Conduct Authority
Group	AJ Bell Holdings Limited and its wholly-owned subsidiaries
HMRC	HM Revenue and Customs
ISA	Individual Savings Account
LIBOR	London Interbank Offered Rate
OTB	Option to Buy Shares Scheme
Platform business	Includes our AJ Bell Investcentre (formerly Sippcentre), AJ Bell Youinvest (formerly Sippdeal) and IMAS propositions
SIPP	Self-Invested Personal Pension
UK	United Kingdom

Company information

Company number	04503206
Company Secretary	Bruce Robinson
Registered office	Trafford House Chester Road Manchester M32 0RS
Auditor	KPMG LLP 1 St Peters Square Manchester M2 3AE
Principal banker	Lloyds Bank 3rd Floor The Mound Edinburgh EH1 1YF

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