28 November 2017

FIH group plc

("FIH" or the "Group")

Results for the six months ended 30 September 2017

FIH, the AIM quoted group that owns essential services businesses in the UK and Falkland Islands, is pleased to announce its unaudited results for the six months ended 30 September 2017 ("the period"). Comparisons shown below are for the same period in 2016 unless otherwise stated.

Group Financial Highlights
Record H1 revenues, profits ahead by 38%

- Record Group revenue at £20.6 million (2016: £19.8 million)
- Profit Before Tax up 38% at £1.4 million (2016: £1.0 million)
- Diluted earnings per share 8.7p (2016: 6.5p)
- Bank borrowings at 30 September 2017 £3.6 million (31 March 2017: £3.8 million)
- Cash balances up by £2.5 million at £15.0 million at 30 September 2017 (30 September 2016: £12.5 million).

Operating Highlights

Falkland Islands Company ("FIC") – Solid profits despite absence of oil activity

- Revenue remained broadly flat at £8.58 million (2016: £8.56 million) despite challenging comparatives and absence of oil spend
- Profit before Tax rose 10.9% to £0.58 million (2016: £0.52 million)
- FBS (Construction) up 27.9% with favourable timing of kit home completions
- Retail & Falklands 4x4 sales lower as expected
- Support services up 11.7%
- Normal, stronger second half trading anticipated
- Longer term growth potential linked to oil and land-based tourism.

Portsmouth Harbour Ferry Company ("PHFC") – Stable core revenues boosted by strong summer cruising & parts sales mitigating external challenges

- Total Ferry revenue increased 6.8% to £2.44 million (2016: £2.28 million) reflecting stable core revenues, additional cruising sales and one-off income from sale of ferry parts
- Slower passenger volume decline more than offset by annual fare increases
- Profit Before Tax increased by £0.18 million to £0.54 million (2016: £0.36 million) with tight cost control. Ferry passenger volumes volatile with continued appeal of inexpensive car travel and subsidised Park & Ride, but decline slowed by the completion of construction works at Portsmouth passenger interchange and the arrival of the Royal Navy's new flagship in August 2017
- Stable H2 outlook with normal quieter winter trading.

Momart – Continuing progress despite competitive global art market

- Positive momentum maintained, with unique expertise in complex work contributing to revenues increasing 7.4% to £9.59 million (2016: £8.93 million)
- Record sales in Museums & Exhibitions, with 10.6% growth in Commercial Galleries and Auction Houses and 11.9% growth in Art Storage
- Doubling of Profit Before Tax to £0.28 million despite drag of start-up losses at newly opened Leyton art storage facility
- Notable activity included: "Matisse at Work" at the Royal Academy; "Abstract Expressionism" in Guggenheim Bilbao; "Scythian Nomads" at the British Museum; "Plywood" and "Balenciaga" at the V&A; and "Soul of a Nation" and "Giacometti" at Tate Modern
- Progress in filling the new warehouse should contribute to satisfactory second half results despite intense market competition.

Robin Williams, Chairman of FIH, said:

Having been appointed as your Group's Chairman on 11 September 2017, it is a pleasure to present my first report to shareholders, on the FIH group's Interim results for the 6 months ended 30 September 2017.

A detailed commentary on the results is provided in the Chief Executive's Review below but I am pleased to report an encouraging first half's trading with Group revenues up by 4.2% to £20.6 million and Profit Before Tax increased by 38% to £1.4 million (2016: £1.0 million). Earnings per share have also moved ahead, from 6.3 pence to 8.7 pence per share, and the board is pleased to confirm the payment of an interim dividend of 1.5 pence per share which will be paid on 26 January 2018 to shareholders on the register at the close of business on 29 December 2017.

At 30 September 2017 the group had cash on hand of £15.0 million, an increase of £2.5 million on the prior year (2016: £12.5 million).

I would also like to take the opportunity to say how pleased I am to take on the role of Chairman of such a well-established, unique, and consistently profitable group and I look forward to working with my colleagues on the board to deliver a sustained improvement in shareholder value over the coming years. I have enjoyed meeting our UK operating management and look forward to visiting the team in the Falkland Islands in March 2018. We continue to consider acquisition opportunities and I look forward to hearing shareholders' views over the next few months about how they would like to see the Group develop.

As independent non-executive Chairman I will also take on responsibilities for chairing the group's Nominations Committee. My colleague Jeremy Brade will be chair of the Audit Committee and Rob Johnston has agreed to become chair of the Group's Remuneration Committee

Robin Williams

28 November 2017

Enquiries:

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- Ends –

Chief Executive's Review

Group overview

The Group's trading results for the six months to 30 September 2017 were encouraging with Profit Before Tax rising 38% to £1.4 million (2016: £1.0 million) and first half revenues exceeding £20 million for the first time in the Group's history. It was also pleasing to see all three of the group's operating businesses showing increased profitability compared to the prior year, with Momart in particular continuing to improve, posting sales and profit growth.

The Group's balance sheet remained strong with £15.0 million of cash on hand at 30 September 2017, only £0.1 million lower than in March 2017 despite normal seasonal increases in working capital and the resumption of dividends which saw a payment of £0.5 million to shareholders in late September 2017. The Group's cash balances of £15.0 million were £2.5 million higher than at 30 September 2016 and at the half year bank borrowings had been reduced by £0.2 million to £3.6 million compared to the year-end position (31 March 2017: £3.8 million).

Group revenues grew by 4.2% (+£0.8 million) to reach a record £20.6 million (2016: £19.8 million) helped by revenues up 6.8% at Portsmouth Harbour Ferry Company ("PHFC"), buoyant revenues at Momart, which were £0.7 million up on the prior year (+7.4%) at £9.6 million (2016: £8.9 million) and stable overall activity levels in the Falkland Island Company ("FIC").

An analysis by business is shown below:

Revenue

Six months ended 30 September	**2017** **£ million**	2016 £ million	Change %
Falkland Islands Company	**8.58**	8.56	*0.2*
Portsmouth Harbour Ferry	**2.44**	2.28	*6.8*
Momart	**9.59**	8.93	*7.4*
Total Revenue	**20.61**	19.77	*4.2*

Profit Before Tax **Six months ended 30 September**	**2017** **£ million**	2016 £ million	Change %
Falkland Islands Company	**0.58**	0.52	*10.9*
Portsmouth Harbour Ferry	**0.54**	0.36	*51.0*
Momart	**0.28**	0.14	*108.1*
Profit Before Tax	**1.40**	1.02	38.1

With oil exploration activity in Falklands waters on hold for the time being and therefore no oil stimulus to the Falklands economy, FIC delivered a solid performance in the face of tough H1 comparatives in 2016. FIC's Profit before Tax increased by £0.06 million (+10.9%) to £0.58 million (2016: £0.52 million).

At the Group's passenger ferry business, PHFC, revenues were ahead by 6.8%, helped by a slowing in the rate of attrition of passenger volumes, stronger summer cruising sales and by one-off asset disposals. With tight cost control the ferry's contribution before tax increased by £0.18 million in the traditionally stronger summer period.

At Momart, the Group's art handling business, encouraging sales growth saw H1 profitability continuing to improve despite the expected drag on profits created by start-up losses in Momart's new art storage warehouse in Leyton. With careful control of overheads Momart's H1 contribution before tax doubled to reach £0.28 million.

With the process of write down of intangible assets now complete and intangibles stated at, at least their economically recoverable amount, in the 6 month period to 30 September 2017 there was no further amortisation of intangible assets. There were also no non-trading items in the period.

With a blended corporation tax rate estimated at 23% the Group's Profit Before Tax of £1.4 million gave Profits After Tax of £1.08 million (2016: £0.78 million) and diluted earnings per share (EPS) up 38% at 8.7 pence (2016: 6.3 pence)

Maintaining its renewed dividend policy and a dividend cover of at least three times, the board is pleased to confirm that an interim dividend of 1.5 pence per share will be paid on January 26 2018.

Operating Review

Falkland Islands Company (FIC)

With the departure of the Eirik Raude oil rig in July 2016 oil exploration activity in the Islands came to a halt for the time being and the current year has not seen any benefit from the boost to local demand brought by oil in previous periods. Trading in 2017-18 therefore reflects the sustainable non-oil related base level of activity enjoyed by the company and demonstrates the solid level of profits that continue to be generated from the Group's 166 year old Falkland's business.

Overall revenues were in line with the prior year at £8.58 million (2016: £8.56 million) and Profit before tax, before the Group's share of joint venture results, was higher by £0.06 million at £0.56 million (2016: £0.5 million).

FIC **Six months ended 30 September**	**2017** **£ million**	2016 £ million	Change %
Revenue			
Retail	**3.99**	4.26	*-6.5*
FBS (construction)	**1.88**	1.46	*27.9*
Falklands 4x4	**1.37**	1.52	*-9.9*
Freight & Port Services	**0.52**	0.57	*-8.0*
Support services	**0.60**	0.54	*11.7*
Property Rental	**0.22**	0.21	*6.3*
Total FIC revenue	**8.58**	8.56	*0.2*
Trading profit	**0.50**	0.43	*19.1*
Consumer Finance income	**0.11**	0.12	*-12.2*
Net Finance charge (pensions)	**(0.05)**	(0.05)	*8.0*
Profit before tax, before share of joint venture	**0.56**	0.50	*12.5*
Share of results of Joint venture	**0.02**	0.02	*-20.0*
Profit Before Tax	**0.58**	0.52	*10.9*

In the first half of 2017-18, trading conditions for FIC's retail business were challenging. General demand was weakened by the absence of oil money and FIC's flagship supermarket the "West Store" faced broader based competition following the 33% expansion of its principal local competitor in November 2016 (which meant tough H1 comparatives). Overall retail revenue declined by 6.5% but with an active refreshing of its range and keen pricing, the West Store maintained its strong market position and sales declined by only 2.6%. Elsewhere, the absence of oil related consumer spending on gifts and clothing led to a decline in sales and in Home Living and Home Builder, activity was affected by a gap in government house completions, which had boosted sales in H1 2016. Notwithstanding this pressure on revenue, earlier action to trim FIC's retail cost base and focussed steps to enrich the margin mix saw the contribution from FIC's retail business increase modestly in the first half.

At Falklands Building Services (FBS), kit homes construction on government subsidised plots at Sappers Hill in central Stanley increased with the completion of 13 new homes compared to 9 in the same period last year. Helped by the favourable timing of completions in H1, FBS turnover rose by 27.9% to £1.88 million up £0.42 million from the £1.46 million sales seen in H1 2016. This favourable timing difference is expected to unwind in the second half as the underlying level of building work remains fairly consistent between years.

At Falklands 4x4, revenues held up well, falling by only 9.9% despite the lack of run-out "Defender" sales which occurred in H1 2016. Whilst vehicle sales were impacted, down 26%, to 34 vehicles (H1 2016: 46), 4x4's corporate leasing business picked up markedly and with its servicing and maintenance business also ahead, contribution from Falklands 4x4 increased over the same period in the prior year.

Freight and Port Services revenues dropped back by 8.0% reflecting the absence of northbound oil related freight traffic in the prior period but Support Services saw healthy overall growth despite a modest illex squid catch, with good progress from FIC's Fishing Agency, Insurance brokerage and Penguin Travel. Income from FICs rental portfolio of 51 investment properties increased by 6.3% despite the departure of premium corporate oil related lets in early 2016 although necessary remedial repair work saw the net contribution from property slip back.

Portsmouth Harbour Ferry Company

Revenues from core ferry activities increased by 2.4% to £2.22 million in the first half as fare increases in June 2017 more than offset a continuing decline in passenger numbers, albeit the rate of attrition in H1 2017-18 slowed to 2.4% compared to the 4.7% decline seen in H1 last year.

The completion of construction works on the Hard passenger interchange at Portsmouth Harbour was a positive factor in slowing the rate of passenger decline, as was the arrival of the Royal Navy's new flagship HMS Queen Elizabeth in August 2017, but passenger volumes remained volatile over the 6 months and although there were periodic like for like increases in passenger traffic, these proved short lived as the attractions of inexpensive car travel and a heavily subsidised Park & Ride scheme in Portsmouth continued to weigh on the business.

With additional cruising sales and one off income from the sale of old ferry spares seeing "Other Income" rise by £0.10 million to £0.22 million, total ferry revenues increased by 6.8% (+£0.16 million) to £2.44 million (2016: £2.28 million).

PHFC : **Six months ended 30 September**	**2017** **£ million**	2016 £ million	Change %
Revenue			
Ferry fares	**2.22**	2.16	*2.4*
Cruising and Other income	**0.22**	0.12	*86.0*
Total Ferry Revenue	**2.44**	2.28	*6.8*
Profit Before Tax	**0.54**	0.36	*51.0*

Ferry overheads were kept tightly under control despite an increase in fuel prices and with the benefit of one-off profits from parts sales, the ferry's pre-tax contribution increased by £0.18 million to £0.54 million (2016: £0.36 million).

Momart

Momart, the Group's art handling and logistics business saw its recent positive momentum continue with revenue increases of 7.4%. H1 sales were up by £0.66 million from £8.93 million last year to £9.59 million and Pre Tax Profit doubled from £0.14 million to £0.28 million. These results were achieved despite a £0.1 million drag on profits caused by start-up losses at Momart's newly opened state of the art storage facility in Leyton which did not impact last year's H1 trading.

Momart : **Six months ended 30 September**	**2017** **£ million**	2016 £ million	Change %
Revenue			
Museums & Exhibitions	**5.30**	5.06	*4.8*
Commercial Galleries and Auction Houses	**3.18**	2.88	*10.6*
Art Storage	**1.11**	0.99	*11.9*
Total Revenue	**9.59**	8.93	*7.4*
Profit Before Tax	**0.28**	0.14	*108.1*

Despite strong comparatives and a fiercely competitive market, Museum & Exhibition sales grew by 4.8% (+£0.24 million) to a new H1 record of £5.3 million (2016: £5.06 million). Pressure on museum budgets remained but Momart's unique skill set and ability to handle complex technically demanding work allowed it to focus on higher added value contracts with intrinsically higher margins which in turn helped the Exhibitions' divisional contribution lift towards more satisfactory levels.

Notable museum exhibitions in the period included the installation of "Matisse at Work" at the Royal Academy and the return of loans from "Abstract Expressionism" in Guggenheim Bilbao, "Scythian Nomads" at the British Museum, "Plywood" and "Balenciaga" at the V&A and "Soul of a Nation" and "Giacometti" at Tate Modern.

After an encouraging first half of trading, Momart's large exhibition order book remains strong with over £4.0 million of firm orders for work over the next 12 months, £1.4 million ahead of the prior year position, giving a solid platform for continued progress in Exhibitions in H2.

Revenue from commercial galleries and auction houses (Gallery Services) continued to grow despite fierce competition, with the GS division building on the 6.8% rise in revenue seen in H1 last year, with even stronger growth of 10.6% in H1 2017-18; revenues increasing by £0.3 million to £3.18 million. Auction House activity recovered from the more uncertain start seen last year as hammer prices rose and confidence returned to the global art market. With the commercial art market more buoyant, Momart's technical expertise was drawn on increasingly by auction houses and their clients demanding the reassurance of unmatched art handling skills and customer service.

Revenues from private clients and from corporate collectors both increased in the period and Momart enjoyed its busiest ever Frieze art Fair in London in Autumn 2017.

With revenues ahead by 10.6% and gross margins holding, Gallery Services increased its contribution to Momart's overall profitability delivering a similar level of profits to that of Momart's Museum Exhibition business.

Revenues from art storage increased by 11.9% to £1.1 million as capacity constraints were removed by the completion of the new unit 14 facility at Leyton which was finally commissioned in March 2017. This new facility with its enhanced client amenities and flexible, dedicated space increased Momart's storage space by 33% and to date progress in filling the new warehouse has been in line with budgeted expectations. At 30 September 2017 the unit had filled to 40% of its capacity but with fixed costs for rent rates and depreciation, it was still loss making, creating a drag on profits of £0.09 million in the first half. During the 6 months to 30 September 2017 storage revenues in unit 14 increased steadily each month reaching an annualised level of £0.3 million at the period end, albeit still some £0.1 million below cash break-even (53% fill). Further progress in filling unit 14 remains a key priority for Momart in the second half of the year where a run rate of revenue sufficient to cover cash costs and depreciation (£0.5 million, 2/3rd fill) is being pursued.

Elsewhere in Momart's extensive leased property portfolio, the recent revision and uplift in business rates in Spring 2017, saw the company experiencing material rises in property costs during the first half. However, these cost increases were largely offset through focussed savings in discretionary marketing spend and improved management and collection of debtors.

With a general increase in revenues, incrementally improving gross margins and overheads under tight control, Momart was able to deliver an encouraging £0.14 million increase in its Pre-Tax contribution in the period even after absorbing the inevitable start-up losses from its new storage facilities. Further progress will be pursued in the second half.

Balance Sheet and Cash Flow

During the six months to 30 September 2017, with Operating profits of £1.6 million up by £0.4 million and depreciation of £0.8 million (some £0.4 million greater than the Group's capital expenditure) the Group enjoyed a first half Operating cash flow before changes in working capital of £2.5 million, an increase of £0.41 million on the prior year.

In the first 6 months of the new financial year, total inventories increased by £0.5 million to £5.9 million from their 31 March 2017 starting point but remained £0.2 million lower than in September 2016. Debtor collection was strong with receivables being reduced by £1.4 million and despite significant reductions in trade creditors as the company shifted towards more sustainable credit terms with key suppliers, the seasonal increase in working capital was relatively modest with an outflow of £1.0 million compared to the £2.2 million outflow seen in H1 in the prior year.

As a result the net cash flow from Operating activities was £1.6 million better than the prior year with a positive inflow of £1.3 million.

After total capital expenditure amounting to £0.38 million, spread broadly evenly between the Group's 3 businesses, Hire purchase and bank loan repayments of £0.4 million and dividends payments of £0.5 million the Group was cash flow neutral in the first half, a £1.5 million improvement on the prior year.

In addition to the Group's cash balances of £15.0 million, and closing bank borrowings of £3.6 million at 30 September 2017 the Group also had hire purchase liabilities of £0.2 million (31 March 2017: £0.2 million) and long term finance lease liabilities in respect of the Gosport Pontoon of £4.8 million (31 March 2017: £4.8 million).

Outlook

After an encouraging first half's trading, with profits ahead of the prior year in all three of the Group's trading subsidiaries, the Group is well placed to deliver another solid set of results in the traditionally stronger second half.

At Momart, despite an intensely competitive art market the company's excellent reputation and technical ability should allow it to make further progress in improving margins. This together with continued progress in filling the new unit 14 art warehouse should contribute towards another satisfactory set of results in the second half.

At PHFC, we can expect to see the normal slower trading in the quieter winter months on the Ferry. In the absence of profits from the one-off asset sales seen in the first half, the outlook for any further growth in profits remains challenging, without a slowing and eventual reversal in the rate of decline in ferry passenger numbers.

In the Falklands, the combination of the austral summer and a seasonal boost from consumer spending at Christmas should underpin a traditionally solid second half's trading. In the longer term there remains significant growth potential linked to oil and/or an accelerated development of land based tourism.

With its strong balance sheet, and diverse portfolio of three profitable and well established, niche businesses the Group is well positioned on a sustainable footing and with its healthy cash reserves the board will continue its search for value enhancing acquisitions to further underpin shareholder value over the long term.

John Foster
Chief Executive

28 November 2017

Condensed Interim Consolidated Income Statement
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2017

Notes		**Unaudited 6 months to 30 September 2017 £'000**	Unaudited 6 months to 30 September 2016 £'000	Audited Year ended 31 March 2017 £'000
2	**Revenue**	**20,605**	19,771	40,494
	Cost of sales	**(11,601)**	(11,232)	(24,861)
	Gross profit	**9,004**	8,539	15,633
	Other administrative expenses	**(7,491)**	(7,401)	(13,064)
	Takeover bid costs	**-**	-	(530)
	Consumer Finance income	**108**	123	236
	Gain on sale of vessel		-	76
	Amortisation of intangible assets	**-**	(36)	(136)
	Administrative expenses	**(7,383)**	(7,314)	(13,418)
	Operating profit	**1,621**	1,225	2,215
	Share of result of joint venture	**20**	25	105
	Profit before finance income and expense	**1,641**	1,250	2,320
	Finance income	**6**	13	21
	Finance expense	**(244)**	(247)	(454)
3	Net financing costs	**(238)**	(234)	(433)
	Profit before tax	**1,403**	1,016	1,887
4	Taxation	**(323)**	(234)	(460)
	Profit attributable to equity holders of the Company	**1,080**	782	1,427
5	**Earnings per share**			
	Basic	**8.7p**	6.3p	11.5p
	Diluted	**8.7p**	6.3p	11.5p

See note 5 for an analysis of earnings per share on underlying profit (defined as profit after tax before amortisation and non-trading items).

Condensed Consolidated Balance Sheet
AT 30 SEPTEMBER 2017

Notes		Unaudited 30 September 2017 £'000	Unaudited 30 September 2016 £'000	Audited 31 March 2017 £'000
	Non-current assets			
	Intangible assets	**11,820**	11,972	11,846
	Property, plant and equipment	**19,731**	20,084	20,147
	Investment properties	**3,655**	3,596	3,723
	Investment in joint venture	**261**	161	241
	Hire purchase debtors	**725**	707	763
	Deferred tax assets	**776**	687	776
	Total non-current assets	**36,968**	**37,207**	**37,496**
	Current assets			
	Inventories	**5,887**	6,120	5,356
	Trade and other receivables	**6,137**	6,340	7,498
	Hire purchase debtors	**623**	902	799
	Cash and cash equivalents	**15,027**	12,503	15,079
	Total current assets	**27,674**	**25,865**	**28,732**
	TOTAL ASSETS	**64,642**	**63,072**	**66,228**
	Current liabilities			
	Interest bearing loans and borrowings	**(610)**	(538)	(615)
	Income tax payable	**(527)**	(313)	(182)
	Trade and other payables	**(10,036)**	(10,538)	(12,286)
	Total current liabilities	**(11,173)**	**(11,389)**	**(13,083)**
	Non-current liabilities			
	Interest bearing loans and liabilities	**(7,925)**	(7,610)	(8,224)
	Employee benefits	**(2,994)**	(2,655)	(2,985)
	Deferred tax liabilities	**(2,191)**	(2,069)	(2,191)
	Total non-current liabilities	**(13,110)**	**(12,334)**	**(13,400)**
	TOTAL LIABILITIES	**(24,283)**	**(23,723)**	**(26,483)**
	Net assets	**40,359**	**39,349**	**39,745**
	Capital and reserves			
	Equity share capital	**1,243**	1,243	1,243
	Share premium account	**17,447**	17,447	17,447
	Other reserves	**1,162**	1,162	1,162
	Retained earnings	**20,541**	19,600	19,960
	Hedging reserve	**(34)**	(103)	(67)
	Total equity	**40,359**	**39,349**	**39,745**

Condensed Consolidated Cash Flow Statement
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2017

Notes	Unaudited 6 months to 30 September 2017 £'000	Unaudited 6 months to 30 September 2016 £'000	Audited Year ended 31 March 2017 £'000
Profit for the period	**1,080**	782	1,427
Adjusted for (i) Non-cash items:			
Depreciation and amortisation	**812**	791	1,587
Professional fees incurred for Takeover bid and defence	**-**	-	530
Loss on disposal of fixed assets		-	(76)
Share of joint venture profit	**(20)**	(25)	(105)
Equity-settled share-based payment expenses	**18**	26	15
Non-cash items adjustment	**810**	792	1,951
(ii) Other items:			
Net financing costs	**238**	234	433
Income tax expense	**323**	234	460
Other adjustments	**561**	468	893
Operating cash flow before changes in working capital and provisions	**2,451**	2,042	4,271
Decrease / (increase) in trade and other receivables	**1,426**	(1,487)	(2,645)
Decrease / (increase) in hire purchase debtors	**214**	(163)	3
(Increase) / decrease in trading inventories	**(521)**	199	971
(Decrease) / increase in trade and other payables	**(2,050)**	(727)	686
Decrease in provisions and employee benefits	**(51)**	(49)	(113)
Changes in working capital and provisions	**(982)**	(2,227)	(1,098)
Cash generated from operations	**1,469**	(185)	3,173
Cash outflow on exercise of options	**(20)**	(7)	(10)
Professional fees paid for Takeover bid and defence	**(165)**	-	(365)
Corporation taxes paid	**22**	(112)	(336)
Net cash from operating activities	**1,306**	(304)	2,462
Cash flows from investing activities			
Purchase of property, plant and equipment	**(377)**	(922)	(1,790)
Proceeds from disposal of property, plant & equipment	**-**	-	76
Cash inflow on loans from joint venture	**-**	-	200
Bank interest received	**6**	13	21
Net cash flows from investing activities	**(371)**	(909)	(1,493)
Cash flows from financing activities			
Repayment of secured loans	**(421)**	(278)	(829)
Bank and hire purchase interest paid	**(69)**	(68)	(126)
Proceeds from new loans (including HP)	**-**	25	1,028
Dividends paid	**(497)**	-	-
Net cash flows from financing activities	**(987)**	(321)	73
Net (decrease) / increase in cash and cash equivalents	**(52)**	(1,534)	1,042
Cash and cash equivalents at start of year	**15,079**	14,037	14,037
Cash and cash equivalents at end of year	**15,027**	12,503	15,079

Condensed Consolidated Statement of Comprehensive Income
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2017

Notes	Unaudited 6 months to 30 September 2017 £'000	Unaudited 6 months to 30 September 2016 £'000	Audited Year ended 31 March 2017 £'000
Cash flow hedges - effective portion of changes in fair value	33	(21)	15
Items that are or may be reclassified subsequently to profit or loss	**33**	(21)	15
Actuarial gain on pension schemes net of tax	-	-	(271)
Items which will not ultimately be recycled to the income statement	33	(21)	(271)
Other comprehensive expense	33	(21)	(256)
Profit for the period	1,080	782	1,427
Total comprehensive income	**1,113**	**761**	**1,171**

Condensed Consolidated Statement of Changes in Shareholders' Equity
FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2017

	Unaudited 6 months to 30 September 2017 £'000	Unaudited 6 months to 30 September 2016 £'000	Audited Year ended 31 March 2017 £'000
Shareholders' funds at beginning of period	**39,745**	38,569	38,569
Profit for the period	**1,080**	782	1,427
Cash flow hedges - effective portion of changes in fair value	**33**	(21)	15
Net actuarial gain on pension schemes net of tax	**-**	-	(271)
Dividends paid	**(497)**	-	-
Total comprehensive income	**616**	761	1,171
Share-based payments granted to employees	**18**	26	15
Employee options vested in the period	**(20)**	(7)	(10)
Shareholders' funds at end of period	**40,359**	39,349	39,745

Notes to the Unaudited Interim Statements

1. Basis of preparation

This interim financial information comprises the condensed consolidated balance sheets at 30 September 2017, 30 September 2016 and 31 March 2017 and condensed consolidated statements of income, comprehensive income, cash flows and changes in shareholders' equity for the periods then ended and related notes of FIH group plc (hereinafter 'the interim financial information').

The interim financial information has been prepared in accordance with the accounting policies set out in the Group's 2017 annual financial statements. As permitted, these interim financial statements have been prepared in accordance with AIM rules and not in accordance with IAS34 'Interim Financial Reporting'.

The adopted International Financial Reporting Standards ('IFRS') that will be effective (or available for early adoption) in the annual financial statements for the year ending 31 March 2018 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the year ending 31 March 2018.

The Interim Report was approved by the Board on 28 November 2017.

Section 245 Statement
The comparative figures for the financial year ended 31 March 2017 are not the Company's full statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditor was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) or 498 (3) of the Companies Act 2006.

2. Segmental revenue and profit analysis

	Unaudited - Six months to 30 September 2017				
	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Unallocated £'000	Total £'000
External revenue	8,576	2,440	9,589	-	20,605
Operating profit before amortisation and non-trading items	**612**	**708**	**301**	**-**	**1,621**
Share of results of joint venture	20	-	-	-	20
Profit before finance income and expense	632	708	301	-	1,641
Finance income	6	-	-	-	6
Finance expense	(60)	(166)	(18)	-	(244)
Segment profit before tax	578	542	283	-	1,403
Assets and liabilities					
Segment assets	30,430	17,172	17,033	7	64,642
Segment liabilities	(8,796)	(9,416)	(5,416)	(655)	(24,283)
Segment net assets	21,634	7,756	11,617	(648)	40,359
Other segment information					
Capital expenditure					
Property, plant and equipment	139	73	165	-	377
Depreciation	313	225	274	-	812

2. Segmental revenue and profit analysis (continued)

	Unaudited - Six months to 30 September 2016				
	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Unallocated £'000	Total £'000
External revenue	8,561	2,284	8,926	-	19,771
Segment operating profit	546	538	141	-	1,225
Share of results of joint venture	25	-	-	-	25
Profit before finance income and expense	571	538	141	-	1,250
Finance income	13	-	-	-	13
Finance expense	(63)	(179)	(5)	-	(247)
Segment profit before tax	**521**	**359**	**136**	-	**1,016**
Assets and liabilities					
Segment assets	30,096	16,800	16,168	8	63,072
Segment liabilities	(9,279)	(9,676)	(4,110)	(658)	(23,723)
Segment net assets	20,817	7,124	12,058	(650)	39,349
Other segment information					
Capital expenditure					
Property, plant and equipment	149	112	661	-	922
Depreciation	312	244	199	-	755
Amortisation	-	-	36	-	36

2. Segmental revenue and profit analysis (continued)

	Audited – Year to 31 March 2017				
	General trading (Falklands) £'000	Ferry services (Portsmouth) £'000	Arts logistics & storage (UK) £'000	Unallocated £'000	Total £'000
External revenue	17,828	4,286	18,380	-	40,494
Operating profit before amortisation and non-trading items	1,209	1,058	538	-	2,805
Restructuring costs	-	-	-	(530)	(530)
Gain on sale of vessel	-	76	-	-	76
Amortisation of intangible assets	-	-	(136)	-	(136)
Amortisation and non-trading items	-	76	(136)	(530)	(590)
Segment operating profit	**1,209**	**1,134**	**402**	**(530)**	**2,215**
Share of results of joint venture	24	-	-	-	24
Gain on sale of Joint Venture fixed assets	81	-	-	-	81
Profit before net finance expense	1,314	1,134	402	(530)	2,320
Finance income	14	4	3	-	21
Finance expense	(88)	(349)	(17)	-	(454)
Segment profit before tax	1,240	789	388	(530)	1,887
Assets and liabilities					
Segment assets	33,381	16,556	16,279	12	66,228
Segment liabilities	(11,419)	(9,359)	(4,956)	(749)	(26,483)
Segment net assets	21,962	7,197	11,323	(737)	39,745
Other segment information					
Capital expenditure					
Property, plant and equipment	578	241	971	-	1,790
Depreciation	564	447	440	-	1,451
Amortisation	-		136	-	136

3. Finance income and expense

	Unaudited 6 months to 30 September 2017 £'000	Unaudited 6 months to 30 September 2016 £'000	Audited Year ended 31 March 2017 £'000
Bank interest receivable	**6**	13	21
Total finance income	**6**	**13**	**21**
Interest payable on bank loans	**(67)**	(68)	(127)
Interest cost on pension scheme liabilities	**(60)**	(60)	(88)
Finance lease interest payable	**(117)**	(119)	(239)
Total finance expense	**(244)**	**(247)**	**(454)**
Net financing cost	**(238)**	**(234)**	**(433)**

4. Taxation

The taxation charge has been estimated to be 23.0% (2016: 23.0%).

5. Earnings per share

Earnings per share on underlying profit

To provide a comparison of earnings per share on underlying performance, the table below sets out basic and diluted earnings per share based on profits after tax before amortisation ('underlying profit after tax'):

	Unaudited 6 months to 30 September 2017 £'000	Unaudited 6 months to 30 September 2016 £'000	Audited Year ended 31 March 2017 £'000
Weighted average number of shares in issue	**12,417,726**	12,431,623	12,431,715
Less: shares held under the ESOP	**(19,894)**	(25,677)	(24,849)
Average number of shares in issue excluding the ESOP and Treasury shares	**12,397,832**	12,405,946	12,406,866
Maximum dilution with regards to share options	**55,873**	10,526	23,639
Diluted weighted average number of shares	**12,453,705**	12,416,472	12,430,505

5. Earnings per share (continued)

	Unaudited 6 months to 30 September 2017 £'000	Unaudited 6 months to 30 September 2016 £'000	Audited Year ended 31 March 2017 £'000
Profit before tax	**1,403**	1,016	1,887
Restructuring costs	**-**	-	530
Gain on sale of vessel	**-**	-	(76)
Amortisation of intangible assets	**-**	36	136
Gain on sale of Joint Venture fixed assets	**-**	-	(81)
Underlying profit before tax	**1,403**	1,052	2,396
Tax thereon	**(323)**	(241)	(490)
Tax rate	***23%***	*23%*	*21%*
Underlying profit after tax	**1,080**	811	1,906

Basic earnings per share on underlying profit	**8.7**	6.5p	15.4p
Diluted earnings per share on underlying profit	**8.7**	6.5p	15.3p

Analysis of Taxation charge			
Taxation on underlying profits	**(323)**	(241)	(490)
Taxation related to amortisation and non-trading items	**-**	7	30
Total taxation charge	**(323)**	(234)	(460)

6 Employee benefits

The Company has elected to follow precedent and decided not to revalue its pension obligations at the half-year. The Group's pension obligation, the Falkland Islands Company Limited Pension Scheme, is unfunded and therefore not subject to valuation volatility as a result of stock market fluctuations.

7 Analysis of cash, bank borrowings / HP and long term finance leases

	As at 1 April 2017 £'000	Cash flows £'000	**As at 30 September 2017 £'000**	As at 30 September 2016 £'000
Cash at bank and in hand	15,079	(52)	**15,027**	12,503
Debt due within one year - Bank loans	(507)	(2)	**(509)**	(407)
Debt due within one year - Hire purchase	(75)	8	**(67)**	(99)
Debt due within one year - Pontoon Lease	(33)	(1)	**(34)**	(32)
Debt due after one year - Bank loans	(3,321)	248	**(3,073)**	(2,658)
Debt due after one year - Hire Purchase	(139)	34	**(105)**	(172)
Debt due after one year - Pontoon Lease	(4,764)	17	**(4,747)**	(4,780)
Cash less bank loans, HP & long term finance leases	6,240	252	**6,492**	4,355
Bank Debt	(3,828)	246	**(3,582)**	(3,065)
Cash	15,079	(52)	**15,027**	12,503
Cash less bank loans	11,251	194	**11,445**	9,438
Hire purchase and long term finance leases				
Hire Purchase Leases	(214)	42	**(172)**	(271)
Pontoon Lease	(4,797)	16	**(4,781)**	(4,812)
Total Hire purchase and long term finance leases	(5,011)	58	**(4,953)**	(5,083)
Cash less bank loans, HP & long term finance leases	6,240	252	**6,492**	4,355

9 Capital commitments

At 30 September 2017 the Group had no capital commitments, which have not been provided for in these financial statements. At 30 September 2016 the Group had capital commitments of £105,000 in respect of the new warehouse at Leyton and £22,000 in respect of the Portsea pontoon refurbishment

Directors and Corporate Information

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John Foster	*Chief Executive*
Jeremy Brade	*Non-executive Director*
Robert Johnston	*Non-executive Director*

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