Press Release

11 September 2018

STM Group Plc

("STM", "the Company" or "the Group")

Unaudited Interim Results for the six months ended 30 June 2018

STM Group Plc (AIM: STM), the multi-jurisdictional financial services group, is pleased to announce its unaudited interim results for the six months ended 30 June 2018.

Highlights include:

	2018	**2017 Normalised**	**Change**	**2017 Actual**
Revenue	£10.8m	£10.2m*	+6%	£10.7m
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	£2.5m	£2.4m*	+5%	£2.9m
Profit before taxation ("PBT")	£2.1m	£1.9m*	+11%	£2.4m
PBT margin	20%	19%	+5%	22%
Earnings per share	3.21p	3.10p*	+4%	3.89p
Cash at bank (net of borrowings)	£16.3m	£11.4m	+43%	£11.4m
Interim dividend	0.7p	0.6p	+17%	0.6p

* stated excluding impact of £0.5m release of L&C technical expense reserve

Operational highlights:

- Recurring revenue for the period of £8.5 million (2017: £8.0 million)
- Increased PBT margin as a result of efficiencies, notwithstanding one-off costs incurred
- Relocation of Plc head-office gives a more UK centric focus
- New Chairman and NED appointments post period end bring further depth and experience
- Successful integration of the Harbour acquisition
- STM Life to re-domicile to Malta following Group review of Brexit implications
- Gibraltar regulated entities working proactively to implement the Skilled Person Review recommendations
- Increased dividend, in line with progressive dividend policy
- Consistent deferred income shows visibility of revenue stream

Commenting on the results and prospects for STM, Alan Kentish, Chief Executive Officer, said:

“The various trading divisions across the Group have collectively performed in line with management expectations during the first half of the year, and have delivered a solid set of underlying financial results. This performance gives the Board confidence in meeting management expectations for the full year.

“The successful integration of Harbour demonstrates the model for future acquisitions as and when further opportunities arise.

“The Board continues to implement its three year de-risking strategy by looking to introduce more financial services products for both the expatriate market, as well as the UK market, across the pension and life sectors. In addition, we continue to challenge our processes and systems as part of a programme to increase our profit margins.

“We look forward to updating the market with further news as the year progresses.”

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

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Notes to editors:

STM is a multi jurisdictional financial services group which is listed on the AIM Market of the London Stock Exchange. The Group specialises in the delivery of a wide range of financial service products to professional intermediaries and the administration of assets for international clients in relation to retirement, estate and succession planning and wealth structuring.

Today, STM has operations in the UK, Gibraltar, Malta, Jersey and Spain. The Group is looking to expand through the development of additional products and services that its ever more sophisticated clients demand. STM has developed a specialist international pensions division which specialises in Self-Invested Personal Pensions (SIPPs) for expatriates, Qualifying Recognised Overseas Pension Schemes (QROPS), Qualifying Non UK Pension Schemes (QNUPS). STM has a Gibraltar Life Insurance Company, STM Life plc, which provides life insurance bonds – wrappers in which a variety of investments, including investment funds, can be held.

Further information on STM Group Plc can be found at www.stmgroupplc.com.

Chairman's Statement

I am pleased to present the Group's financial results for the six month period ended 30 June 2018 which show a solid performance, after allowing for the financial impact and management resources utilised in the Skilled Persons Review of the Gibraltar businesses.

2018 to date has shown growth in our International SIPP numbers, with new applications remaining steady on a month on month basis.

In addition, the completion of the Harbour acquisition in February 2018, has demonstrated the potential scalability and profitability of these smaller acquisitions for the Group. We will continue to pursue other such targets as and when suitable opportunities arise.

The Board will continue its strategy of de-risking the business by looking to add to its product range within both the pension and life operations, with a view to becoming less reliant on purely the expatriate market.

The above opportunities, coupled with our underlying predictable recurring revenue stream, mean that we remain confident of the Group continuing to deliver increased profitability. In addition, we are pleased to have a new Chairman and an additional Non-Executive Director appointed to the Board in recent weeks, both have extensive experience in the UK and EU financial services markets in terms of product as well as the customer journey.

As outgoing interim Chairman, as we enter the latter part of 2018, it feels that we are moving the Group to a new level of robustness and governance, not only for the shareholders but for all stakeholders concerned.

I would like to take this opportunity to thank the staff for their hard work in the first half of this year, and wish Duncan Crocker every success as the new Chairman.

Robin Ellison

Interim Chairman

Chief Executive's Review

Overview

I am pleased to present the interim results for the six months ended 30 June 2018 which show a solid and comparable performance to that of the previous year.

Underlying performance of the various business units remains consistent with the expectations of the executives. As previously noted, the strength of the trading performance is very much underpinned by the high percentage of recurring revenue of the STM business model, along with a primarily fixed cost base. New business volumes for our international SIPP product remain consistent with 2017 numbers, whilst our Malta and Gibraltar QROP's books continue to show pleasingly low attrition rates.

In addition, as part of a continued drive to become more efficient in 2018, we have seen normalised profit margins continue to improve.

The integration of the Harbour acquisition is complete and has demonstrated the potential profitability of these "bolt-on" types of opportunities for the Group. We continue to actively seek out further acquisitions of this type.

As part of continuing to build on our corporate governance framework, for both the Group and its underlying subsidiaries, we have appointed two new members to the Board. Duncan Crocker joins as new Chairman, after Mike Riddell stepped down at the AGM in May 2018, and Graham Kettleborough joins as a new Non-Executive Director. Both come with decades of solid relevant financial services experience and will invariably complement the skill set that we already have around the board-room table. In addition to the Board appointments, we have further built on our governance framework, having appointed a Group Internal Auditor earlier this year and have also taken the decision to recruit a Chief Operating Officer to join the existing executive team.

Financial results

For the six month period ended 30 June 2018 the Group reported revenues of £10.8 million (2017: £10.7 million). Whilst this may appear to be a consistent performance with prior year it should be noted that the prior year results included a one-off amount of £0.5 million being a release of the insurance technical reserve acquired with the London & Colonial acquisition. Therefore, Group revenue has increased by approximately 6% on a like for like basis.

Profit before tax for the period amounted to £2.1 million (profit margin of 20%) compared to £1.9 million on a like for like basis i.e. net of the expense release for the period ended 30 June 2017 (profit margin of 19%). Profit before tax for the period is after absorbing circa £0.3 million of legal and professional costs in relation to the Skilled Person Review carried out on the Gibraltar regulated entities.

Pleasingly, all of the Group's trading operations have performed in line with management expectations. The Group's solid and robust recurring revenue stream continues to grow and forms 79% (2017: 74%) of total revenues.

In line with all administration services businesses and, as per previous years, the Group had accrued income in the form of work performed for clients but not yet billed of £0.9 million as at the period end (2017: £1.0 million). The Group's accounting policy for accrued income in relation to the pensions business is based on the number of new business applications received but for which an invoice has not yet been raised. Invoices are raised once the pension funds are received and the fees can be taken. This gives some visibility of revenue still to be billed and collected as cash at bank.

In addition, deferred income relating to annual fees invoiced but not yet earned stood at £4.3 million (2017: £4.0 million). The Group's accounting policy for its pension businesses was previously for first year fees to be recognised in full at the time of receiving the application with a proportion of the second year fees and beyond to be deferred over the year in which the fee relates. However, following the transition to International Financial Reporting Standard 15 ("IFRS 15") *Revenue from Contracts with Customers*, first year's fees are now recognised in line with second year fees and beyond with a proportion deferred over the year in which they relate. However, as previously announced and expected, this change has had no material financial impact on the business, with deferred income being consistent with the prior year. This figure gives good visibility of revenue that has still to be earned through the Income Statement in the coming months.

Trade receivables as at 30 June 2018 were £2.3 million showing no change from the position as at 30 June 2017.

During the current period, the Company has started making capital repayments on the bank loan taken out to finance the acquisition of London & Colonial in October 2016. As such, the balance on the outstanding loan is £2.5 million (30 June 2017: £3.3 million) and has resulted in reduced financing costs of £0.1 million (2017: £0.2 million).

Cash and cash equivalents at 30 June 2018 were £18.8 million (30 June 2017: £14.7 million). As would be expected for a Group regulated in a number of jurisdictions, a significant proportion of this balance forms part of the regulatory and solvency requirements. As at 30 June 2018 this was circa £12 million. In addition, there are working capital requirements across the Group. Importantly, and demonstrating the visibility and robustness of the business model, cash generated from operating activities amounted to £2.6 million (2017: £4.1 million).

Dividend

The Group continues to follow a progressive dividend policy and I am pleased to announce that the Board has declared an interim dividend of 0.7 pence per share (2017: 0.6 pence). The interim dividend is expected to be paid on 15 November 2018 to those shareholders on the register on 12 October 2018. The ordinary shares will become ex-dividend on 11 October 2018.

Subject to trading continuing to perform in line with our expectations, the Board expects to propose a final dividend for the full year.

Review of operations

Pensions business

STM’s pension administration businesses continue to be based in three locations: Malta and Gibraltar which administer the QROPS pensions, and the UK where the SIPPs are administered.

New applications for QROPS pensions continue to be received in Malta for residents situated in the EEA. In addition, the International SIPP, which was launched in April 2017 to service the needs of the Group’s international clients, continues to show comparable monthly new business volumes to that of the previous year.

The acquisition of Harbour Pensions Limited in February 2018 saw the addition of 1,600 QROPS which has contributed £0.5 million to the overall Group’s revenue for the period. Within this revenue there is a one off of £0.2 million as a result of bringing Harbour’s revenue recognition in line with the Group’s.

Overall the pensions revenue for the period was £5.9 million (2017: £5.3 million) thus accounting for 55% of the Group’s overall turnover (2017: 49%). Total revenue is split between £5.1 million for QROPS (2017: £4.5 million) and £0.8 million (2017: £0.8 million) for the SIPP business.

Splitting the QROPS business further into the two jurisdictions shows Gibraltar remaining consistent with prior years at £1.3 million (2017: £1.3 million) and Malta having increased by circa 19% to £3.8 million (2017: £3.2 million).

Life assurance divisions

Following the acquisition of London & Colonial in October 2016, the Group continues to run two separate life assurance businesses. Whilst the intention at the acquisition date was to merge these two companies, a decision was recently taken to keep these separate to allow the Group to continue to service both Europe and the UK market beyond March 2019 when the UK is expected to leave the European Union.

Revenue for this operating segment for the six months to 30 June 2018 amounted to £2.2 million (2017: £2.9 million). As mentioned above, the 2017 results included a release on the technical expense reserve of £0.5 million thus, when this is excluded, total revenues show an increase of 10% in underlying revenues. Pleasingly, the revenue growth has come from a steady and predictable increase in monthly recurring revenue in STM Life. This complements the very predictable nature of the L&C book of business that continues to deliver recurring revenues of £1.0 million (2017: £1.0 million) in line with management’s expectations.

CTS division

Whilst there was a time when the Group’s revenue was predominantly generated from the Corporate and Trustee Services division ("CTS") this lower margin revenue stream has been diluted over time and now accounts for just 21% (2017: 19%) of the Group’s total revenue during the first half of 2018. Revenues generated by the CTS business for the period were £2.2 million as compared to £2.0 million in the same period for 2017.

Revenue resulting from the Jersey CTS business has surpassed management expectations by £0.3 million of non-recurring ad-hoc fees and overall accounted for 63% (2017: 60%) of the CTS division's revenue at £1.4 million (2017: £1.2 million), with Gibraltar's revenue remaining consistent at £0.8 million (2017: £0.8 million). Whilst Jersey has performed better than expected, the CTS market remains a difficult market for expansion, due to various macro and micro economic factors. In this regard STM's focus in this area is on client retention and maintaining operating profit margins, rather than anticipating growth.

Other divisions

Turnover from other divisions remains at approximately £1.0 million annually and thus has generated £0.5 million (2017: £0.5 million) for the six month period. The main contributors of this are the Insurance Management division and the Spanish office, with both divisions performing in line with management expectations.

Outlook

We have entered the second half of 2018 knowing that our recurring revenue streams will underpin a solid profitable performance for the year as a whole.

At the same time the Board is working on a three year strategy that focusses on organic growth, potential acquisitions and increased profit margins.

Organic growth will be delivered by a continued emphasis to provide additional products to the marketplace within our pensions and life businesses and also to expand our distribution network. This will also allow us to be less reliant on purely the expatriate marketplace and will reduce concentration risk across our intermediary base.

Senior management are committed to driving efficiency in how we process our day to day business so as to improve profit margins. In addition, we will continue to seek out opportunistic acquisitions in the pensions and life sector that will enhance and diversify our existing operations.

The STM Life board has now made its decision to redomicile from Gibraltar to Malta so as to be in a position to service its EEA based clients going forward, and this project has now commenced.

As previously announced, some of the Gibraltar regulated companies have undergone a Skilled Persons Review which was conducted by Deloitte Limited. That review has now concluded and the companies are working towards implementing the recommendations put forward by Deloitte in their report. As a result of this the Group will emerge with a stronger and more robust business.

Finally, I am delighted that there have, in recent weeks, been two appointments to the Board. This will invariably help to strengthen our corporate governance and risk management framework, and ensure that we meet the expectations of all our stakeholders.

The Board looks forward to updating the market during the second half of the year.

Alan Kentish

Chief Executive Officer

11 September 2018

STM GROUP PLC

CONSOLIDATED INCOME STATEMENT
for the period from 1 January 2018 to 30 June 2018

	Notes	Unaudited 6 months to 30 June 2018 £'000	Unaudited 6 months to 30 June 2017 £'000	Audited Year to 31 December 2017 £'000
Revenue	4	10,782	10,702	21,525
Administrative expenses		(8,308)	(7,823)	(16,760)
Profit before other items		**2,474**	**2,879**	**4,765**
OTHER ITEMS				
Finance costs		(145)	(196)	(262)
Depreciation and amortisation		(202)	(260)	(478)
Profit before taxation		**2,127**	**2,423**	**4,025**
Taxation		(217)	(115)	(51)
Profit after taxation		**1,910**	**2,308**	**3,974**
OTHER COMPREHENSIVE INCOME				
Items that are or may be reclassified to profit and loss				
Foreign currency translation differences for foreign operations		(5)	83	7
Total other comprehensive income		**(5)**	**83**	**7**
Total comprehensive income for the period/year		**1,905**	**2,391**	**3,981**
Earnings per share basic (pence)	5	3.21	3.89	6.69
Earnings per share diluted (pence)	5	3.06	3.70	6.37

There have been no discontinued activities in the period. Accordingly, the above results relate solely to continuing activities.

STM GROUP PLC

CONSOLIDATED BALANCE SHEET
as at 30 June 2018

	Notes	Unaudited 30 June 2018 £'000	Unaudited 30 June 2017 £'000	Audited 31 December 2017 £'000
ASSETS				
Non-current assets				
Property, plant and equipment		1,189	1,096	1,240
Intangible assets		18,978	18,504	18,066
Total non-current assets		**20,167**	**19,600**	**19,306**
Current assets				
Investments		77	5,289	81
Accrued income		922	1,001	890
Trade and other receivables	8	4,882	4,292	5,607
Cash and cash equivalents	7	18,763	14,671	18,363
Total current assets		**24,644**	**25,253**	**24,941**
Total assets		**44,811**	**44,853**	**44,247**
EQUITY				
Called up share capital	11	59	59	59
Share premium account		22,372	22,372	22,372
Reserves		9,390	6,957	8,341
Total equity attributable to equity shareholders		**31,821**	**29,388**	**30,772**
LIABILITIES				
Current liabilities				
Liabilities for current tax		727	1,166	1,073
Trade and other payables	9	11,436	11,824	10,750
Total current liabilities		**12,163**	**12,990**	**11,823**
Non-current liabilities				
Other payables	10	827	2,475	1,652
Total non-current liabilities		**827**	**2,475**	**1,682**
Total liabilities and equity		**44,811**	**44,853**	**44,247**

STM GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT
for the period from 1 January 2018 to 30 June 2018

	Unaudited 30 June 2018 £'000	Unaudited 30 June 2017 £'000	Audited 31 December 2017 £'000
Operating Activities			
Profit for the period/year before tax	2,127	2,423	4,025
Adjustments for:			
Depreciation and amortisation	202	251	478
Loss on sale of fixed asset	—	9	—
Taxation paid	(545)	(19)	(54)
Foreign exchange loss	25	—	16
Unrealised gain on investments	—	(7)	(10)
Share based payments	29	28	55
Increase/(decrease) in trade and other receivables	946	901	(414)
(Increase)/decrease in accrued income	(31)	213	324
(Increase)/decrease in trade and other payables	(124)	291	(456)
Movement in provisions	(7)	—	—
Net cash from operating activities	**2,622**	**4,090**	**3,964**
Investing activities			
Disposal of investments	2	—	4,950
Acquisition of property, plant and equipment	(44)	(340)	(617)
Consideration paid on acquisition	(800)	—	(800)
Cash acquired on acquisition	302	—	—
Treasury share purchase	(56)	(51)	—
Increase in intangible assets	(83)	(88)	(84)
Purchase of investments	—	(250)	—
Net cash used in investing activities	**(679)**	**(729)**	**3,449**
Cash flows from financing activities			
Bank loan repayment	(825)	—	—
Treasury shares sold/purchased	—	—	25
Dividends paid	(713)	(594)	(951)
Net cash from financing activities	**(1,538)**	**(594)**	**(926)**
Increase in cash and cash equivalents	**405**	**2,767**	**6,487**
Reconciliation of net cash flow to movement in net funds			
Analysis of cash and cash equivalents during the period/year			
Increase in cash and cash equivalents	405	2,767	6,487
Translation of foreign operations	(5)	35	7
Balance at start of period/year	18,363	11,869	11,869
Balance at end of period/year	**18,763**	**14,671**	**18,363**

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY
for the period from 1 January 2018 to 30 June 2018

	Share Capital £'000	Share Premium £'000	Retained earnings £'000	Treasury Shares £'000	Translation Reserve £'000	Shares Based Payments reserve £'000	Total £'000
Balance at 1 January 2017	59	22,372	5,420	(251)	28	34	27,662
TOTAL COMPREHENSIVE INCOME FOR THE YEAR							
Profit for the year	—	—	3,974	—	—	—	3,974
Other comprehensive income							
Foreign currency translation differences	—	—	—	—	7	—	7
Transactions with owners, recorded directly in equity							
Dividend paid	—	—	(951)	—	—	—	(951)
Shares based payments	—	—	—	—	—	55	55
Treasury shares purchased	—	—	—	25	—	—	25
At 31 December 2017 and 1 January 2018	**59**	**22,372**	**8,443**	**(226)**	**35**	**89**	**30,772**
Adjustment on initial application of IFRS 15 (net of tax) (Note 3)	—	—	(116)	—	—	—	(116)
Adjusted balance at 1 January 2018	**59**	**22,372**	**8,327**	**(226)**	**35**	**89**	**30,656**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD							
Profit for the period	—	—	1,910	—	—	—	1,910
Other comprehensive income							
Foreign currency translation differences	—	—	—	—	(5)	—	(5)
Transactions with owners, recorded directly in equity							
Dividend paid	—	—	(713)	—	—	—	(713)
Shares based payments	—	—	—	—	—	29	29
Treasury shares purchased	—	—	—	(56)	—	—	(56)
At 30 June 2018	**59**	**22,256**	**9,524**	**(282)**	**30**	**118**	**31,821**

NOTES TO THE CONSOLIDATED RESULTS
for the period from 1 January 2018 to 30 June 2018

1. Reporting entity

STM Group Plc (the "Company") is a company incorporated and domiciled in the Isle of Man and was admitted to trading on the London Stock Exchange AIM Market on 28 March 2007. The address of the Company's registered office is 18 Athol Street, Douglas, Isle of Man, IM1 1JA. The Group is primarily involved in financial services.

2. Basis of preparation

Results for the period from 1 January 2018 to 30 June 2018 have not been audited.

The consolidated results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), interpretations adopted by the International Accounting Standards Board ("IASB") and in accordance with Isle of Man law and IAS 34, Interim Financial Reporting.

3. Changes in significant accounting policies

Except as described below, the accounting policies in these consolidated results are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ended 31 December 2018.

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 *Revenue*, IAS 11 *Construction Contracts* and related interpretations.

The Group has initially adopted IFRS 15 *Revenue from Contracts with Customers* from 1 January 2018. The effect of initially applying the standard is attributable to first year's fees which are recognised in line with second year fees and beyond with a proportion deferred over the year in which they relate.

The Group has adopted IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application, .i.e. 1 January 2018. Accordingly, the information presented for 2017 has not been restated, i.e. presented, as previously reported, under IAS 18 and related interpretations.

Impact of adopting IFRS 15 at 1 January 2018 is deemed immaterial on the consolidated results of the Group and is £116,000 net of tax.

NOTES TO THE CONSOLIDATED RESULTS
for the period from 1 January 2018 to 30 June 2018

4. Segmental Information

STM Group has four reportable segments: Pensions, Life Assurance, Corporate Trustee Services and Other Services. Each segment is defined as a set of business activities generating a revenue stream and offering different services to other operating segments. The Group's operating segments have been determined based on the management information reviewed by the CEO and board of directors.

The Board assesses the performance of the operating segments based on turnover generated. The performance of the operating segments is not measured using costs incurred as the costs of certain segments within the Group are predominantly centrally controlled and therefore the allocation of these is based on utilisation of arbitrary proportions. Management believe that this information and consequently profitability could potentially be misleading and would not enhance the disclosure above.

The following table presents the turnover information regarding the Group's operating segments:

Operating Segment	**Unaudited 6m2018 £'000**	**Unaudited 6m2017 £'000**	**Audited 2017 £'000**
Pensions	5,874	5,265	10,157
Life Assurance	2,179	2,898	5,851
Corporate Trustee Services	2,235	2,051	4,341
Other Services	494	488	1,176
	10,782	**10,702**	**21,525**

Analysis of the Group's turnover information by geographical location is detailed below:

Geographical Segment	**Unaudited 6m2018 £'000**	**Unaudited 6m2017 £'000**	**Audited 2017 £'000**
Gibraltar	4,491	5,264	10,675
Jersey	1,417	1,221	2,492
Malta	3,759	3,183	6,180
United Kingdom	835	766	1,666
Other	279	268	512
	10,782	**10,702**	**21,525**

NOTES TO THE CONSOLIDATED RESULTS
for the period from 1 January 2018 to 30 June 2018

5. Earnings per Share

Earnings per share for the period from 1 January 2018 to 30 June 2018 is based on the profit after taxation of £1,910,000 divided by the weighted average number of £0.001 ordinary shares during the period of 59,408,088 basic and 62,378,492 dilutive shares.

A reconciliation of the basic and diluted number of shares used in the period ended 30 June 2018 is:

Weighted average number of shares	59,408,088
Dilutive share options	2,970,404
Diluted	62,378,492

6. Dividends

The following dividends were declared and paid by the Group:

	Unaudited 30 June 2018 £'000	Unaudited 30 June 2017 £'000	Audited 31 December 2017 £'000
2018: 1.2 pence (2017: 1.0 pence) per qualifying ordinary share	713	594	951

7. Cash and cash equivalents

Cash at bank earns interest at floating rates based on prevailing rates. The fair value of cash and cash equivalents in the Group is £18,763,000.

8. Trade and other receivables

	Unaudited 30 June 2018 £'000	Unaudited 30 June 2017 £'000	Audited 31 December 2017 £'000
Trade receivables	2,265	2,262	3,434
Other receivables	2,617	2,030	2,173
	4,882	**4,292**	**5,607**

NOTES TO THE CONSOLIDATED RESULTS
for the period from 1 January 2018 to 30 June 2018

9. Trade and other payables

	Unaudited 30 June 2018 £'000	Unaudited 30 June 2017 £'000	Audited 31 December 2017 £'000
Deferred income	4,251	3,982	3,751
Trade payables	483	610	357
Insurance technical reserve	1,530	2,340	1,530
Bank loan (see note 10)	1,648	825	1,648
Contingent consideration	150	1,150	—
Other creditors and accruals	3,374	2,917	3,464
	11,436	**11,824**	**10.750**

10. Other payables – amounts falling due in more than a year

	Unaudited 30 June 2018 £'000	Unaudited 30 June 2017 £'000	Audited 31 December 2017 £'000
Bank loan	827	2,475	1,652
	827	**2,475**	**1,652**

In October 2016 the Company took out a 3 year bank loan for £3.30 million which pays interest of 4% above LIBOR. The bank loan was interest only for the first year with quarterly repayments thereafter commencing in January 2018. The loan is secured by a capital guarantee provided by STM Fidecs Limited.

11. Called up share capital

	Unaudited 30 June 2018 £'000	Unaudited 30 June 2017 £'000	Audited 31 December 2017 £'000
Authorised			
100,000,000 ordinary shares of £0.001 each	100	100	100
Called up, issued and fully paid			
59,408,088 ordinary shares of £0.001 each	59	59	59

-Ends-