

# The Stanley Gibbons Group plc

## Directors and Advisers

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### Directors

D M Bralsford MSc, FCA, FCT, *Non-Executive Chairman*  
M R M Hall B.Acc, CA, *Chief Executive*  
D P J Duff BAAF, AMCT, FCA, *Chief Operating Officer*  
M D Henley ACA, *Finance Director*  
R K Purkis, *Corporate Services Director*  
R H Henkhuzens BA, FCA, *Non-Executive Director*  
General Sir Michael Wilkes KCB, CBE, *Non-Executive Director*  
P J Wright, *Non-Executive Director*

### Company Secretary

R K Purkis

### Registered Office

Pirouet House  
Union Street  
St Helier  
Jersey JE2 3FF  
Tel: 01534 766711

### Company Registration

Registered in Jersey  
Number 13177

### Nominated Adviser and Broker

Seymour Pierce Limited  
20 Old Bailey  
London EC4M 7EN

### Auditors

Nexia Smith & Williamson LLP  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

### Solicitors

Nabarro LLP  
Lacon House  
84 Theobald's Road  
London WC1X 8RW

### Principal Bankers

Natwest Bank PLC  
32 Corn Street  
Bristol BS99 7UG

### Registrars

Capita Registrars (Jersey) Limited  
Shareholder Services  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield HD8 0GA  
Tel: 0871 6640300; from overseas +44 20 8639 3399

### Website

Further financial, corporate and shareholder information is available on the Corporate section of the Group's website: [www.stanleygibbons.com](http://www.stanleygibbons.com).

# The Stanley Gibbons Group plc

*Interim Report for the 6 months ended 30 June 2009*

## Chairman's Statement

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On behalf of your Board, I am pleased to present a strong trading performance of The Stanley Gibbons Group plc for the six months ended 30 June 2009. The performance of the Company was in line with the strategy and current trading shows no signs of the trading difficulties we experienced at this time last year, which were a direct consequence of global economic events unfolding at that time.

We have restated the prior period results to exclude sales transactions which were entered into on extended credit terms incorporating buyback guarantees in line with our accounting treatment in the financial statements for the year ended 31 December 2008. The restatement of the prior period result was necessary to enable a like-for-like comparison of trading and to report the interim results in line with the accounting treatment of those transactions for the full year.

## Financials

In the half year to 30 June 2009, turnover increased by 18% to £9.6 million (2008: £8.2 million) whilst profit before tax was £1.4 million, up 13%.

Earnings per share for the six months ended 30 June 2009 were 5.09p (2008: 4.16p), representing an increase of 22% benefiting further from a lower effective tax rate in the current period.

In our annual report for the year ended 31 December 2008, we referred to £3.4 million in value of sales transactions entered into on extended credit terms incorporating a 12 month buyback guarantee. Those revenues were not reported in the prior year result as it was considered by the Board prudent to only recognise this revenue and the associated profit when the guarantees have expired and the outcome is certain. No such deferred revenue from the prior year had crystallised by 30 June 2009. The terms of these transactions do not expire until December 2009. The performance achieved on the active management of those clients' portfolios between now and then will determine the likelihood of crystallising such sales in 2009.

## Dividend

Your Board is pleased to declare an interim dividend of 2p (2008: 2p) net per Ordinary Share, payable on 28 September 2009 to holders of Ordinary Shares on the Register at the close of business on the record date of 21 August 2009. The Board's dividend policy is maintained, covered 2.5 times by earnings for the six months ended 30 June 2009, having taking into consideration projected cash flow requirements to support the development of our internet strategy and planned refurbishment of our retail premises at 399 Strand following the renewal of our lease in March.

The Company paid a final dividend of 2.75p net per share in respect of the year ended 31 December 2008, on 11 May 2009.

## Outlook

Current trading continues to show high demand for quality material and the exceptional result from our own June Public Auction gives us confidence that our market continues to be remarkably resilient in the current economic climate. As a result, together with the growth opportunities available from the successful implementation of our strategy, the Board remains confident of the outlook for 2009 and beyond.

It is inevitable that the internet will continue to transform the dynamics of our market and we fully expect to be the primary beneficiary, being the biggest and most well known brand in our market. We are currently implementing some "quick wins" in our website developments and are in the process of putting in place the right resource and structure to bring this part of our strategy to the forefront of our business development.

The refurbishment of our retail premises at 399 Strand scheduled for early next year will enable us to present our brand better in its position as the premier brand in philately. The improved presentation and quality of service from our retail premises in

# **The Stanley Gibbons Group plc**

*Interim Report for the 6 months ended 30 June 2009*

## **Chairman's Statement**

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### **Outlook (continued)**

London will prove timely in light of the "London 2010 Festival of Stamps", a once in a decade event, which will see thousands of collectors from all over the world congregate in London.

We are now making some tangible progress, working with an investment partner, in the launch of a rare stamp investment fund. We hope that the launch of such a fund will provide the recognition that rare stamps deserves as a credible asset class as part of a sensible wealth diversification strategy.

Our new investment sales office in Jersey is scheduled to open in October. Our marketing plans surrounding the opening of our new office there are expected to result in the recruitment of new investment clients in the second half of the year.

### **People**

On behalf of the Board, I would like to welcome our new employees who have joined Stanley Gibbons at this exciting time for us and to thank everyone in the team for their contribution to the positive result achieved for the first half of the year. I take this opportunity to welcome Donal Duff to the Main Board as Chief Operating Officer and Keith Heddle to the Senior Executive Team as Group Director of Sales. I am confident that our quality new additions to the team will quickly contribute to our continued growth plans.

***Martin Bralsford***

**Chairman**

6 August 2009

## Operating Review

	<b>6 months to 30 June 2009</b>	<b>6 months to 30 June 2009</b>	6 months to 30 June 2008 (restated)	6 months to 30 June 2008 (restated)	Year ended 31 December 2008	Year ended 31 December 2008
	<b>Sales</b>	<b>Profit</b>	Sales	Profit	Sales	Profit
	<b>£000</b>	<b>£000</b>	£000	£000	£000	£000
Philatelic trading and retail operations	<b>7,215</b>	<b>1,549</b>	5,718	1,197	13,801	3,251
Publishing and philatelic accessories	<b>1,312</b>	<b>222</b>	1,309	318	2,899	785
Dealing in autographs, records and related memorabilia	<b>1,096</b>	<b>424</b>	1,155	501	2,655	1,179
	<b>9,623</b>	<b>2,195</b>	8,182	2,016	19,355	5,215
Internet development	<b>20</b>	<b>(61)</b>	19	(66)	39	(140)
Corporate overheads		<b>(694)</b>		(669)		(1,377)
Interest and similar income/(expenses)		<b>(15)</b>		69		91
Before exceptional items	<b>9,643</b>	<b>1,425</b>	8,201	1,350	19,394	3,789
Exceptional operating costs		-		(88)		(88)
<b>Group total sales and profit before tax</b>	<b>9,643</b>	<b>1,425</b>	8,201	1,262	19,394	3,701

## Overview

Group turnover increased by £1,442,000 (18%) compared to the same period last year. The profit before tax for the period of £1,425,000 compared to a profit in the prior period of £1,262,000, representing an increase of 13%. Earnings per share for the six months ended 30 June 2009 were 5.09p (2008: 4.16p), up 22%.

The key contributors to growth in the period were:

- Strong sales to overseas clients as a direct result of our growing network of international sales agents, contributing total sales in the period of £1.1 million
- Continued successful responses from the delivery of powerful sales copy to our e-mail database, contributing total sales in the period of £0.9 million
- Excellent performance from our auction department in the period achieving sales growth of 16% and increased profit contribution of 65%
- Sales of material re-acquired from guaranteed minimum return contracts which reached maturity of £1.3 million. Material sold on these contracts, as previously stated, represented some of our finest stock items and as such has provided a boost to sales for the period.

The gross margin percentage for the six months ended 30 June 2009 was 43.4% compared to 48.6% in the same period last year. The decline in the gross margin percentage was in line with our expectations for the period and reflects the shift in business more towards higher value rarities.

Overheads remained relatively stable in the period despite the expected pressures from the costs required to build the correct team of personnel to take forward our strategy effectively. All other overheads have remained under tight control to retain our fixed cost base at a consistent level.

# The Stanley Gibbons Group plc

Interim Report for the 6 months ended 30 June 2009

## Operating Review

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### Philatelic trading and retail operations

Philatelic trading and retail sales were 26% higher than the same period last year with profit contribution up by 29%. Traditional business activities servicing collectors have shown a robust trading performance during this recessionary period.

Our auction business showed strong growth in the first half with sales up by 16%. Realisations from our June Public Auction surpassed our own expectations with a number of the higher value lots included within the auction achieving realisations well above estimates and, quite frequently, above listed catalogue retail prices.

Sales to collectors of British stamps were 5% higher than in the same period last year and sales to collectors of British Commonwealth countries were up by 18%. The improved sales performance is predominantly the result of strong buying of quality collections during the period including material re-acquired from guaranteed minimum return contracts.

Sales to investment clients and high net worth collectors increased by 39%. We recently launched a new investment product called the "Capital Protected Growth Plan" which is expected to reduce the Company's overall buyback obligations under investment sales in the future. The main strength of the product to investors is a lower trading spread. Early indications show positive demand for this product which will flow through into the second half of the year.

### Publishing and philatelic accessories

Publishing and philatelic accessory sales were flat although profit contribution was down 30% from the same period last year. The lower profit contribution is partly because of lower gross margins due mainly to the fact that the biggest downturn in sales was witnessed in catalogues which generate the highest margins. Profit contribution is further impacted by the increase in overheads as a result of the recruitment of a Publishing Director last year.

We are witnessing a recessionary impact on our Publishing division which is affecting sales of our catalogue titles, which are deemed a luxury product by collectors, and advertising sales in our magazines. Despite those negative influences, sales have remained consistent through focussed sales efforts in the period. We have scheduled additional catalogue titles for publication in the second half which will provide a boost to revenues and are working on increasing distribution channels worldwide. We recently signed up a distributor of catalogues in India which will provide a benefit to sales in the second half.

### Autographs, records and related memorabilia

Autographs, records and related memorabilia sales were 5% lower than the same period last year with profit contribution down by 15%. Sales to collectors were up by 20% in the period benefiting from the improved strength of our auctions and mail order catalogues together with strong customer recruitment from our marketing activities.

Sales to investors were, however, down by £111,000 (14%) in the period. Autograph investment sales in the current period were impacted by a large credit issued to one customer invoiced in the prior year of £101,000. When adjusting for this credit, autograph investment sales were broadly in line with the prior period.

### Internet development

Sales reported within this department relate to online subscription revenue only. Online sales represented 7% of total revenue compared to 9% in the prior period, when excluding investment sales. The website generated investment sales totalling £621,000 in the period demonstrating the growing importance of this medium of communicating our services to the world.

Recent improvements to our homepage made in July have already made an immediate impact on our web sales and the planned improvements to our online shopping functionality scheduled for later in the year are expected to have a further positive impact on sales conversions from online visitors.

Website traffic from major search engines for the six months ended 30 June 2009 shows a 5% increase on traffic for the previous six months (July to December 2008). The increase in registrations for bidding in online auctions rose by 18% on the equivalent period last year.

## **Operating Review**

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### **Corporate overheads**

Corporate overheads were £25,000 (4%) higher than the same period last year. IT costs increased by £20,000 as a result of higher depreciation charges on capitalised IT hardware and software and increased costs associated with improvements to our network communication links between sites which has substantially improved speed and performance levels across the Group.

### **Cashflow**

Cash generated from operating activities of £1,353,000 (2008: cash used of £695,000) included the benefit of a reduction of £389,000 (3%) in the cost of our inventories from the year end. Cash generated from operating activities in the period was used to finance tax payments of £638,000 and dividend payments to shareholders of £692,000.

### **Strategic focus and opportunities**

The Group is in a strong position to grow profits in the second half of the year and beyond. Our key areas of focus in the second half include:

- Development of our websites and implementation of a Database Asset Management system to support the launch of online trading community
- Development of online publishing opportunities and e-marketing functions
- Preparation and fund raising for the planned launch of rare stamp investment fund in the first quarter of 2010
- Implement refurbishment programme of our retail premises at 399 Strand, London in preparation for “London 2010 Festival of Stamps” in May 2010
- Opening of our Jersey investment office in October with associated marketing campaign to develop sales potential similar to that achieved in the Guernsey office

Although our short term activities provide opportunities to grow sales and profits from current levels, our success against our strategy provides the potential to escalate profits to a new level. Ultimately, our success in this respect will create a business of a size and profitability matching the size of our brand.

**Michael Hall**  
**Chief Executive**  
6 August 2009

## Condensed statement of comprehensive income

		<b>6 months to 30 June 2009 (unaudited)</b>	6 months to 30 June 2008 (unaudited) (restated)	Year ended 31 December 2008 (audited)
	<i>Notes</i>	<b>£'000</b>	£'000	£'000
<b>Revenue</b>	3,8	<b>9,643</b>	8,201	19,394
Cost of sales		<b>(5,459)</b>	(4,212)	(10,135)
<b>Gross Profit</b>		<b>4,184</b>	3,989	9,259
Administrative expenses		<b>(843)</b>	(848)	(1,734)
Distribution costs		<b>(1,901)</b>	(1,860)	(3,827)
Exceptional operating costs		-	(88)	(88)
<b>Operating Profit</b>	8	<b>1,440</b>	1,193	3,610
Finance income		<b>1</b>	69	103
Finance costs		<b>(16)</b>	-	(12)
<b>Profit before tax</b>		<b>1,425</b>	1,262	3,701
Taxation	4	<b>(143)</b>	(216)	(378)
<b>Profit for the period</b>		<b>1,282</b>	1,046	3,323
<b>Other comprehensive income:</b>				
Actuarial gains recognised in the pension scheme		-	-	160
Tax on actuarial gains recognised in the pension scheme		-	-	(62)
<b>Other comprehensive income for the period, net of tax</b>		-	-	98
<b>Total comprehensive income for the period</b>		<b>1,282</b>	1,046	3,421
<b>Earnings per Ordinary Share</b>	5	<b>5.09p</b>	4.16p	13.22p
<b>Diluted earnings per Ordinary Share</b>	5	<b>5.09p</b>	4.15p	13.19p

All profit and total comprehensive income is attributable to the owners of the parent, there are no non-controlling interests.

## Condensed statement of changes in equity

	Called up share capital £'000	Share premium account £'000	Share compensation reserve £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2009	252	5,195	92	182	38	10,076	15,835
Total comprehensive income for the period	-	-	-	-	-	1,282	1,282
Dividends	-	-	-	-	-	(692)	(692)
Cost of share options	-	-	24	-	-	-	24
<b>At 30 June 2009</b>	<b>252</b>	<b>5,195</b>	<b>116</b>	<b>182</b>	<b>38</b>	<b>10,666</b>	<b>16,449</b>
At 1 January 2008	251	5,148	44	182	38	7,849	13,512
Total comprehensive income for the period (restated)	-	-	-	-	-	1,046	1,046
Dividends	-	-	-	-	-	(691)	(691)
Cost of share options	-	-	24	-	-	-	24
<b>At 30 June 2008</b>	<b>251</b>	<b>5,148</b>	<b>68</b>	<b>182</b>	<b>38</b>	<b>8,204</b>	<b>13,891</b>
At 1 January 2008	251	5,148	44	182	38	7,849	13,512
Total comprehensive income for the year	-	-	-	-	-	3,421	3,421
Dividends	-	-	-	-	-	(1,194)	(1,194)
Cost of share options	-	-	48	-	-	-	48
Share options exercised	1	47	-	-	-	-	48
<b>At 31 December 2008</b>	<b>252</b>	<b>5,195</b>	<b>92</b>	<b>182</b>	<b>38</b>	<b>10,076</b>	<b>15,835</b>



## Condensed statement of financial position

	30 June 2009 (unaudited) £'000	30 June 2008 (unaudited) (restated) £'000	31 December 2008 (audited) £'000
<b>Non-current assets</b>			
Intangible assets	134	27	64
Property, plant and equipment	957	953	901
Deferred tax asset	23	71	21
Trade and other receivables	1,855	3,251	2,801
	<b>2,969</b>	<b>4,302</b>	<b>3,787</b>
<b>Current Assets</b>			
Inventories	11,356	10,787	11,745
Trade and other receivables	4,980	3,534	3,988
Cash and cash equivalents	394	1,094	535
	<b>16,730</b>	<b>15,415</b>	<b>16,268</b>
<b>Total assets</b>	<b>19,699</b>	<b>19,717</b>	<b>20,055</b>
<b>Current liabilities</b>			
Trade and other payables	2,156	4,366	2,828
Current tax payable	163	597	656
	<b>2,319</b>	<b>4,963</b>	<b>3,484</b>
<b>Non-current liabilities</b>			
Retirement benefit obligations	86	252	75
Deferred tax liabilities	150	152	144
Provisions	695	459	517
	<b>931</b>	<b>863</b>	<b>736</b>
<b>Total liabilities</b>	<b>3,250</b>	<b>5,826</b>	<b>4,220</b>
<b>Net assets</b>	<b>16,449</b>	<b>13,891</b>	<b>15,835</b>
<b>Equity</b>			
Called up share capital	252	251	252
Share premium account	5,195	5,148	5,195
Share compensation reserve	116	68	92
Capital redemption reserve	38	38	38
Revaluation reserve	182	182	182
Retained earnings	10,666	8,204	10,076
<b>Equity shareholders' funds</b>	<b>16,449</b>	<b>13,891</b>	<b>15,835</b>

## **Condensed statement of cash flows**

		<b>6 months to 30 June 2009 (unaudited) £'000</b>	6 months to 30 June 2008 (unaudited) £'000	Year ended 31 December 2008 (audited) £'000
	<i>Notes</i>			
<b>Cash generated from / (used in) operations</b>	6	<b>1,353</b>	(695)	(601)
Interest paid		<b>(3)</b>	-	(12)
Taxes paid		<b>(638)</b>	(525)	(647)
<b>Net cash generated from / (used in) operating activities</b>		<b>712</b>	(1,220)	(1,260)
<b>Investing activities</b>				
Purchase of property, plant and equipment		<b>(110)</b>	(48)	(69)
Purchase of other intangible assets		<b>(52)</b>	(4)	(53)
Interest received		<b>1</b>	44	50
<b>Net cash used in investing activities</b>		<b>(161)</b>	(8)	(72)
<b>Financing activities</b>				
Dividends paid to company shareholders	7	<b>(692)</b>	(691)	(1,194)
Net proceeds from issue of ordinary share capital		-	-	48
<b>Net cash used in financing activities</b>		<b>(692)</b>	(691)	(1,146)
<b>Net decrease in cash and cash equivalents</b>		<b>(141)</b>	(1,919)	(2,478)
Cash and cash equivalents at start of period		<b>535</b>	3,013	3,013
<b>Cash and cash equivalents at end of period</b>		<b>394</b>	1,094	535

# The Stanley Gibbons Group plc

Interim Report for the 6 months ended 30 June 2009

## Notes to the condensed financial statements

### 1 Basis of preparation

These condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting (as amended). For the period ended 30 June 2008 comparatives have been restated, details of which are disclosed in note 8.

### 2 Significant accounting policies

The accounting policies followed in the preparation of this condensed interim report have been applied consistently to all periods in these financial statements and are the same as those applied by the Group in the preparation of its Annual Report for the year ended 31 December 2008. The presentation of this condensed interim report is not the same as the Annual Report for the year ended 31 December 2008 as IAS 1 (revised) has been applied. No actuarial valuation of the pension scheme had been undertaken at 30 June 2009 or at 30 June 2008.

### 3 Segmental reporting

As disclosed in the Operating Review the company has four main business segments, operations being split between Philatelic trading, Publishing and philatelic accessories, Autographs, records and memorabilia and Internet development. This is based upon the Group's internal organisation and management structure and is the primary way in which the board of directors is provided with financial information. When previously reporting under IAS 14 it was considered that there was only one business segment and all these activities were combined in the segmental reporting disclosure. IFRS 8 superseded IAS 14 and under this standard it has been decided to disclose the four segments separately. It remains impractical to allocate group assets and liabilities between these activities.

	Philatelic trading	Publishing and philatelic accessories	Autographs, records and memorabilia	Internet development	Group
Segmental income statement	£'000	£'000	£'000	£'000	£'000
<b>6 months to 30 June 2009</b>					
Revenue	7,215	1,312	1,096	20	9,643
Segment operating profit / (loss)	1,549	222	424	(61)	2,134
Unallocated expenses					(694)
Operating profit					1,440
Net finance costs					(15)
Profit before tax					1,425
Tax					(143)
<b>Profit for the period</b>					<b>1,282</b>
<b>6 months to 30 June 2008 (restated)</b>					
Revenue	5,718	1,309	1,155	19	8,201
Segment operating profit / (loss)	1,197	318	501	(66)	1,950
Unallocated expenses					(757)
Operating profit					1,193
Finance income					69
Profit before tax					1,262
Tax					(216)
<b>Profit for the period</b>					<b>1,046</b>
<b>Year ended 31 December 2008</b>					
Revenue	13,801	2,899	2,655	39	19,394
Segment operating profit / (loss)	3,251	785	1,179	(140)	5,075
Unallocated expenses					(1,465)
Operating profit					3,610
Finance income					91
Profit before tax					3,701
Tax					(378)
<b>Profit for the period</b>					<b>3,323</b>

## Notes to the condensed financial statements

### 3 Segmental reporting (continued)

#### Geographical information

##### Analysis of revenue by origin and destination

	Period ended 30 June 2009	Period ended 30 June 2009	Period ended 30 June 2008	Period ended 30 June 2008
Sales by destination		Sales by origin	Sales by destination (restated)	Sales by origin (restated)
	£'000	£'000	£'000	£'000
Channel Islands	286	4,645	313	3,560
United Kingdom	6,939	4,998	5,060	4,641
Europe	368	-	795	-
North America	512	-	1,050	-
Rest of the World	1,538	-	983	-
	<b>9,643</b>	<b>9,643</b>	8,201	8,201

### 4 Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised on a full provision basis in respect of all temporary differences which have originated, but not reversed at the balance sheet date. The provision is not discounted.

### 5 Earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the weighted average number of shares in issue during the period. Adjusted earnings per share has been calculated to exclude the effect of exceptional operating costs. The Directors believe this gives a more meaningful measure of the underlying performance of the Group.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has only one category of dilutive ordinary shares: those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period. Also in existence were 420,702 options issued under the Company's 2007 Long-Term Incentive Plan (LTIP). These options were not dilutive at 30 June 2009.

	6 months to 30 June 2009 (unaudited)	6 months to 30 June 2008 (unaudited) (restated)	Year ended 31 December 2008 (audited)
Weighted average number of ordinary shares in issue	25,177,443	25,137,443	25,145,312
Dilutive potential ordinary shares: Employee share options	2,143	64,276	39,496
Profit after tax (£)	1,282,000	1,046,000	3,323,000
Exceptional operating cost (net of tax)	-	88,000	88,000
Adjusted profit after tax (£)	1,282,000	1,134,000	3,411,000
Basic earnings per share - pence per share (p)	5.09p	4.16p	13.22p
Diluted earnings per share – pence per share (p)	5.09p	4.15p	13.19p
Adjusted earnings per share – pence per share (p)	5.09p	4.51p	13.57p

## Notes to the condensed financial statements

### 6 Cash generated from / (used in) operations

	<b>6 months to 30 June 2009 (unaudited)</b>	6 months to 30 June 2008 (unaudited) (restated)	Year ended 31 December 2008 (audited)
	<b>£'000</b>	£'000	£'000
Operating profit	<b>1,440</b>	1,193	3,610
Depreciation	<b>55</b>	73	146
Amortisation	<b>12</b>	14	26
Increase in provisions	<b>181</b>	122	190
Cost of share options	<b>24</b>	24	48
Decrease / (increase) in inventories	<b>389</b>	(3,678)	(4,636)
(Increase) / decrease in trade and other receivables	<b>(37)</b>	309	305
(Decrease) / increase in trade and other payables	<b>(711)</b>	1,248	(290)
<b>Cash generated from / (used in) operations</b>	<b>1,353</b>	(695)	(601)

### 7 Dividends

	<b>6 months to 30 June 2009 (unaudited)</b>	6 months to 30 June 2008 (unaudited)	Year ended 31 December 2008 (audited)
	<b>£'000</b>	£'000	£'000
Amounts recognised as distribution to equity holders in period:			
Dividend paid	692	691	1,194
Dividend paid per share	2.75p	2.75p	4.75p
Dividend proposed but not paid	504	503	691
Dividend proposed per share	2.0p	2.0p	2.75p

### 8 Prior period adjustment

We have restated the prior period results to exclude sales transactions which were entered into on extended credit terms incorporating buyback guarantees in line with our accounting treatment in the financial statements for the year ended 31 December 2008. The restatement of the prior period result was necessary to enable a like-for-like comparison of trading and to report the interim results in line with the accounting treatment of those transactions for the full year.

The effect of excluding these transactions from the June 2008 statement of comprehensive income is to reduce revenue by £1,646,000, cost of sales by £1,101,000 and gross margin and operating profit by £545,000. The effect on the statement of financial position as at 30 June 2008 is to decrease trade and other receivables by £1,646,000, to increase inventories by £1,101,000 and reduce retained earnings by £545,000.

### 9 Further copies of this statement

Copies of this statement are being sent to shareholders and can be viewed on the Company's website at [www.stanleygibbons.com](http://www.stanleygibbons.com). Further copies are available on request from: The Company Secretary, The Stanley Gibbons Group plc, Pirouet House, Union Street, St Helier, Jersey, JE2 3FF.