# Interim Financial Report 2015

## Gresham Computing plc

*Registered Number 1072032*

Real-time Financial Certainty®

## Strategic overview

Gresham is creating a sustainable global business based on high-margin CTC licence sales, recurring revenue subscriptions and cloud services. The Group aims to establish CTC as the enterprise data integrity platform "category leader" in a world awash with real-time streaming data.

The Group has now completed the transition to an efficient global operating model with the disposal of non-core or underperforming assets, and alignment of service lines across the Group. Gresham's strategic focus along with its on-going investment is centred on CTC product development and international sales.

Market demand for sophisticated transaction control and data integrity platforms is high, driven by the need for greater financial certainty, improved risk controls, data assurance and regulatory compliance. The CTC platform is ideally placed to address these needs.

In the first six months of the financial year, CTC revenues made up 31% of Group revenue, exceeding any other Group product and becoming the Group's largest gross margin contributor. CTC Software grew by 247% to £1.5m (H1 14: £0.4m). This resulted in Group software revenues growing 38% to £4.7m (H1 14: £3.4m). Total Group revenues increased by 11% to £7.1m (H1 14: £6.4m).

Adjusted EBITDA increased by 26% to £1.1m (H1 14: £0.9m), more than the whole of FY 2014.

## Trading Update

High quality CTC customers continue to sign up, and CTC recurring revenues and international pipeline continues to build steadily into 2016.

CTC presents the Group with multiple possibilities for long-term sustained growth. In addition to providing a cloud capability, the Group plans to make extensions to the CTC platform and to grow the portfolio of CTC packaged applications.

The Group's other product revenues remain stable and are trading in line with expectations. The Group's professional services are profitable with implementation projects on track and customer satisfaction remaining high.

## CTC Momentum

The Group saw strong CTC growth in the first half of 2015 which confirms the Board's confidence in the strategy to focus product investment and sales efforts on this product.

The CTC platform is based on a robust modern architecture and is continually evolving as prospects and customers challenge the software with new use cases. CTC has now been certified to the demanding Payment Card Industry Data Security Standard (PCI DSS) mandated by the card brands. Customer satisfaction and market confidence in CTC remains high.

New customers signing up to CTC Software included one of the world's largest insurance brokers and a leading U.S. based pre-paid products business.

The Group's original early adopter Tier 1 global banks are now achieving break-through results in terms of processing performance and the rapid on-boarding of new business controls. The Group also saw further growth in CTC revenues from existing customers extending usage into new areas, which included a recent repeat software sale to an existing Tier 1 global bank customer.

Gresham now has over 20 directly contracted CTC customers using the software live in their business on a daily basis with further customer go-lives scheduled for the second half of 2015. In addition, the number of indirectly contracted customers using CTC software via white-labelled services also continues to grow.

During the period the Group's first customer went live in the cloud. Gresham now plans to launch multi-tenanted cloud based services globally in the autumn to complement the existing on-premise and private-cloud business.

Gresham continues to see demand for CTC from new geographies and industries, as well as for new applications. The Group's investment in sales channels and delivery models are opening up access to these markets.

The Group's specific customer focus, both directly and via third parties, is on enterprises needing financial control, internal risk control, regulatory compliance, and transactional integrity during business changes.

### Other Products

The Group's portfolio of other products remains stable and trading in line with expectations.

### Financial Review

*Trading*

The Group earns revenues from the sale of Software and provision of ancillary consultancy services. Software revenues include sales of perpetual licences with associated support & maintenance, plus recurring software subscriptions.

The following summarises the Group's financial performance in the six months to 30 June 2015:

| | | H1 2015 £m | H1 2014 £m | *Variance £m* | % |
|---|---|---|---|---|---|
| **CTC Revenue based performance:** | | | | | |
| CTC Software revenue | *KPI* | 1.5 | 0.4 | 1.1 | 247% |
| CTC Services revenue | | 0.7 | 1.6 | (0.9) | (56%) |
| CTC Total revenue | *KPI* | 2.2 | 2.0 | 0.2 | 10% |
| *CTC Software revenue comprises:* | | | | | |
| - *Recurring* | *KPI* | *0.9* | *0.3* | *0.6* | *157%* |
| - *Non-recurring* | | *0.6* | *0.1* | *0.5* | *549%* |
| | | *1.5* | *0.4* | *1.1* | *247%* |

| | | H1 2015 £m | H1 2014 £m | *Variance £m* | % |
|---|---|---|---|---|---|
| **Total Revenue based performance** | | | | | |
| Total Software revenue | | 4.7 | 3.4 | 1.3 | 38% |
| Total Services revenue | | 2.4 | 3.0 | (0.6) | (19%) |
| Total revenue | | 7.1 | 6.4 | 0.7 | 11% |
| *Total Software revenue comprises:* | | | | | |
| - *Recurring* | *KPI* | *3.7* | *3.1* | *0.6* | *21%* |
| - *Non-recurring* | | *1.0* | *0.3* | *0.7* | *206%* |
| | | *4.7* | *3.4* | *1.3* | *38%* |

| **Earnings based performance:** | | | | | |
|---|---|---|---|---|---|
| Profit before tax as reported | | 0.65 | 0.60 | *0.04* | *8%* |
| Exceptional charge | | 0.09 | - | *0.09* | *n/a* |
| Adjusted profit before tax | *KPI* | 0.74 | 0.60 | *0.13* | *22%* |
| Interest income | | (0.01) | (0.02) | *0.00* | *0%* |
| Share options charges | | 0.03 | 0.03 | *0.00* | *0%* |
| Amortisation and depreciation | | 0.39 | 0.31 | *0.08* | *27%* |
| Adjusted EBITDA | *KPI* | 1.15 | 0.92 | *0.22* | *26%* |
| *Adjusted EBITDA margin* | *KPI* | *16%* | *14%* | | |
| Profit after tax | | 0.90 | 0.84 | *0.06* | *7%* |
| Basic Earnings per Share (pence) | | 1.42 | 1.35 | 0.07 | *5%* |

During the period, CTC revenues increased by 10% to £2.2m (H1 14: £2.0m), with CTC Software revenues increasing by 247% to £1.5m (H1 14: £0.4m) and CTC Software recurring revenues increasing by 157% to £0.9m (H1 14: £0.3m). The Group continues to win new customers to use CTC in both proven and new use cases, in addition to achieving growth in revenues from existing customers that are increasing their usage of CTC.

The Group now has seven key account customers (five at H1 14, six at FY 14) which continue to be a material component in driving growth of CTC revenues since these organisations are over time anticipated to increase usage of the software throughout their business. The Group defines key customers as those that have the potential to generate revenues of £3m to £5m over a five year period.

Total Software recurring revenue for the six months ended 30 June 2015 increased by 21% to £3.7m (H1 14: £3.1m) and recurring revenue now represents 53% of total revenues in the period (H1 14: 48%). Revenue from all other non-CTC parts of the business remain in line with expectations.

Adjusted EBITDA was up 26% to £1.1m (H1 14: £0.9m) despite the planned increase in costs compared to the same period last year. This reflects a full six months of the new sales & marketing and product support investment initiated in the early part of 2014.

Excluding exceptional charges of £0.1m, the Group's pre-tax profit increased by 22% to £0.74m (H1 14: £0.60m).

For the period to 30 June 2015, the Group recorded a tax credit of £0.33m in connection with research and development. This is offset by a tax charge of £0.08m in respect of profitable overseas subsidiaries. The Group is carrying forward tax losses of approximately £13.0m mainly in respect of UK subsidiaries, of which £2.8m (£0.55m net) has been recognised as a deferred tax asset.

Basic earnings per share increased by 5% to 1.42p (H1 14: 1.35p). The Group is not paying a dividend.

*Cashflow*

| | H1 2015 £m | H1 2014 £m |
|---|---|---|
| Profit before tax from operations | 0.65 | 0.60 |
| Depreciation, amortisation & share-based payment expenses | 0.43 | 0.35 |
| Net working capital (outflow) / inflow | (0.40) | 0.55 |
| Net finance income | (0.01) | (0.02) |
| Net cash inflow from operating activities | 0.67 | 1.48 |
| Net income taxes received | 0.27 | 0.00 |
| Net Interest received | 0.01 | 0.02 |
| Purchase of property, plant and equipment | (0.15) | (0.13) |
| Payments to acquire intangible fixed assets | (1.44) | (1.72) |
| Net cash used in investing activities | (1.58) | (1.84) |
| Net proceeds from issue of new shares | - | 0.75 |
| Net (decrease) / increase in cash and cash equivalents | (0.64) | 0.39 |
| Cash at 1 January | 4.71 | 4.39 |
| Exchange adjustments | (0.07) | 0.00 |
| Cash and cash equivalents at end of period | **4.00** | **4.78** |

The Group continues to be funded from operating cash and has no debt. During the six months ended 30 June 2015 cashflow arising from operating activities excluding working capital movements grew by 14% to £1.1m (H1 14: £1.0m).

There was a net working capital outflow of £0.40m (H1 14: £0.55m inflow). This year on year variance is the result of a backlog of overdue debtors clearing in the first half of 2014, whereas the first half of 2015 represents a more normalised pattern of cashflow given the profile of the Group's debtor invoicing throughout the year.

Operating cashflow was supplemented by £0.27m of cash received in respect of the 2013 research and development credits (H1 14: £nil). In the second half of 2015 the Group expects a further £0.8m will be receivable for the 2014 research and development credits.

Development activity and therefore additions to intangible fixed assets in the period was lower than H1 14 as planned, which had included a number of temporary resources to accelerate product development in response to immediate customer and market requirements.

**Board Changes**

As planned, on 1 June 2015, Ian Manocha was appointed Chief Executive Officer and Chris Errington became a Non-Executive director.

**Outlook**

Market demand for modern transaction control and data integrity platforms is high driven by the need for greater financial certainty, improved risk controls, data assurance and regulatory compliance. The CTC platform is ideally placed to address these needs.

In the last six months CTC revenues have exceeded any other Group product, and CTC has become the Group's largest gross margin contributor.  CTC recurring revenues continue to build steadily with the current 'run rate' giving visibility of further growth in CTC recurring revenues for 2016. The Group's other product revenues remain stable and performing in line with expectations.

The Group has now completed the transition to an efficient global operating model with the disposal of non-core or underperforming assets, and alignment of service lines across the Group. All ongoing investments are fully focused on CTC growth.

The Board remain confident with the strategy of CTC-led growth for the Group, and are excited by the significant market opportunity available and the outlook for the Group.

Ian Manocha
Chief Executive Officer
7 August 2015

# CONSOLIDATED INCOME STATEMENT

| | Notes | 6 months ended 30 June 2015 Unaudited £'000 | 6 months ended 30 June 2014 Unaudited £'000 | 12 months ended 31 December 2014 Audited £'000 |
|---|---|---|---|---|
| **Revenue** | 2 | 7,087 | 6,374 | 12,832 |
| Cost of goods sold | | (1,345) | (1,637) | (3,409) |
| Gross profit | | 5,742 | 4,737 | 9,423 |
| | | | | |
| Administrative expenses | | (5,017) | (4,157) | (8,991) |
| **Operating profit** | | **725** | **580** | **432** |
| | | | | |
| Exceptional charges | | (90) | - | - |
| **Trading profit** | | **635** | **580** | **432** |
| | | | | |
| Finance revenue | | 12 | 17 | 36 |
| Finance costs | | - | - | (12) |
| **Profit before taxation** | | **647** | **597** | **456** |
| | | | | |
| Taxation | 3 | 250 | 242 | 639 |
| **Attributable to owners of the parent** | | **897** | **839** | **1,095** |
| | | | | |
| **Earnings per share** | | | | |
| Basic earnings per share - pence | 4 | 1.42 | 1.35 | 1.77 |
| Diluted earnings per share - pence | 4 | 1.30 | 1.24 | 1.62 |

All activities were continuing during the year.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 6 months ended 30 June 2015 Unaudited £'000 | 6 months ended 30 June 2014 Unaudited £'000 | 12 months ended 31 December 2014 Audited £'000 |
|---|---|---|---|
| Attributable profit for the period | 897 | 839 | 1,095 |
| *Other comprehensive expense* | | | |
| Exchange differences on translation of foreign operations | (60) | 24 | (55) |
| | (60) | 24 | (55) |
| Total comprehensive income for the year | 837 | 863 | 1,040 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | At 30 June 2015 Unaudited £'000 | At 30 June 2014 Unaudited £'000 | At 31 December 2014 Audited £'000 |
|---|---|---|---|---|
| **Assets** | | | | |
| **Non-current assets** | | | | |
| Property, plant & equipment | | 586 | 670 | 617 |
| Intangible assets | | 9,490 | 7,067 | 8,313 |
| Deferred tax asset | | 547 | 716 | 547 |
| | | 10,623 | 8,453 | 9,477 |
| **Current assets** | | | | |
| Trade and other receivables | | 2,886 | 3,853 | 3,303 |
| Income tax receivable | | 1,240 | 660 | 1,224 |
| Cash and cash equivalents | | 4,000 | 4,767 | 4,707 |
| | | 8,126 | 9,280 | 9,234 |
| **Total assets** | | **18,749** | **17,733** | **18,711** |
| **Equity & Liabilities** | | | | |
| **Equity attributable to owners of the parent** | | | | |
| Called up equity share capital | | 3,162 | 3,162 | 3,162 |
| Share premium account | | - | 16,523 | 16,522 |
| Other reserves | | 313 | 313 | 313 |
| Foreign currency translation reserve | | (98) | 41 | (38) |
| Retained earnings | | 10,379 | (7,350) | (7,069) |
| | | 13,756 | 12,689 | 12,890 |
| **Non-current liabilities** | | | | |
| Deferred income | | 70 | 165 | 82 |
| Provisions | | 35 | 35 | 28 |
| | | 105 | 200 | 110 |
| **Current liabilities** | | | | |
| Trade, other payables and deferred income | | 4,789 | 4,805 | 5,645 |
| Income tax payable | | 99 | 39 | 58 |
| Provisions | | - | - | 8 |
| | | 4,888 | 4,844 | 5,711 |
| **Total liabilities** | | 4,993 | 5,044 | 5,821 |
| **Total equity and liabilities** | | **18,749** | **17,733** | **18,711** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital £'000 | Share premium £'000 | Other reserves £'000 | Currency translation reserves £'000 | Retained earnings £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **At 1 January 2014** | 3,027 | 15,906 | 313 | 17 | (8,214) | 11,049 |
| | | | | | | |
| Attributable profit for the period | - | - | - | - | 839 | 839 |
| Other comprehensive expense | - | - | - | 24 | - | 24 |
| Total comprehensive income | - | - | - | 24 | 839 | 863 |
| Share issue proceeds | 135 | 623 | - | - | - | 758 |
| Share transaction costs | - | (6) | - | - | - | (6) |
| Share based payment | - | - | - | - | 25 | 25 |
| **At 30 June 2014** | 3,162 | 16,523 | 313 | 41 | (7,350) | 12,689 |
| | | | | | | |
| Attributable profit for the period | - | - | - | - | 256 | 256 |
| Other comprehensive expense | - | - | - | (79) | - | (79) |
| Total comprehensive (expense) / income | - | - | - | (79) | 256 | 177 |
| Share transaction costs | - | (1) | - | - | - | (1) |
| Share based payment | - | - | - | - | 25 | 25 |
| **At 31 December 2014** | 3,162 | 16,522 | 313 | (38) | (7,069) | 12,890 |
| | | | | | | |
| Attributable profit for the period | - | - | - | - | 897 | 897 |
| Other comprehensive expense | - | - | - | (60) | - | (60) |
| Total comprehensive (expense) / income | - | - | - | (60) | 897 | 837 |
| Share premium cancellation | - | (16,522) | - | - | 16,522 | - |
| Share based payment | - | - | - | - | 29 | 29 |
| **At 30 June 2015** | 3,162 | - | 313 | (98) | 10,379 | 13,756 |

*Share Premium cancellation*

On 24 February 2015 at a shareholder general meeting, the Company approved a resolution to reduce the Company's share capital by the cancellation of its Share Premium Account which was subsequently confirmed by the High Court of Justice on 18 March 2015.

# CONSOLIDATED STATEMENT OF CASHFLOWS

| | 6 months ended 30 June 2015 Unaudited £'000 | 6 months ended 30 June 2014 Unaudited £'000 | 12 months ended 31 December 2014 Audited £'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax from operations | 647 | 597 | 456 |
| Depreciation, amortisation & impairment | 392 | 308 | 692 |
| Share based payment expense | 29 | 25 | 50 |
| Decrease in trade and other receivables | 357 | 1,034 | 1,559 |
| (Decrease) / increase in trade and other payables | (758) | (483) | 291 |
| Movement in provisions | 8 | 14 | 15 |
| Loss on disposal of property, plant and equipment | - | - | 6 |
| Net finance income | (12) | (17) | (24) |
| **Cash inflow from operations** | 663 | 1,478 | 3,045 |
| Net income taxes received / (paid) | 274 | (5) | 15 |
| **Net cash inflow from operating activities** | 937 | 1,473 | 3,060 |
| | | | |
| **Cash flows from investing activities** | | | |
| Interest received | 12 | 17 | 36 |
| Other bank charges | - | - | (12) |
| Purchase of property, plant and equipment | (152) | (132) | (244) |
| Payments to acquire intangible fixed assets | (1,436) | (1,723) | (3,238) |
| **Net cash used in investing activities** | (1,576) | (1,838) | (3,458) |
| | | | |
| **Cash flows from financing activities** | | | |
| Share Issue | - | 752 | 751 |
| **Net cash from financing activities** | - | 752 | 751 |
| | | | |
| **Net (decrease) / increase in cash and cash equivalents** | **(639)** | **387** | 353 |
| Cash and cash equivalents at beginning of period | 4,707 | 4,386 | 4,386 |
| Exchange adjustments | (68) | (6) | (32) |
| **Cash and cash equivalents at end of period** | **4,000** | **4,767** | **4,707** |

## 1 Basis of preparation

Gresham Computing plc (LSE: "GHT", "Gresham" or the "Company" or the "Group") is a limited liability company and is listed on the London Stock Exchange. The Company's registered address is Aldermary House, 10 – 15 Queen Street, London, EC4N 1TX and the Company's registration number is 1072032.

These condensed interim financial statements are unaudited, have not been reviewed by the Group's auditors, and do not constitute statutory accounts within the meaning of the Companies Act 2006.

These condensed interim financial statements have been prepared on a going concern basis and in accordance with IAS 34 'Interim Financial Reporting', the Disclosure and Transparency Rules and the Listing Rules of the Financial Conduct Authority, and were approved on behalf of the Board by the Chief Executive Officer Ian Manocha and Chief Financial Officer Rob Grubb on 7 August 2015.

The accounting policies and methods of computation applied in these condensed interim financial statements are consistent with those applied in the Group's most recent annual financial statements for the year ended 31 December 2014.

The financial statements for the year ended 31 December 2014, which were prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union ('IFRS'), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, have been delivered to the Registrar of Companies. The auditors' opinion on those financial statements was unqualified and did not contain a statement made under s498(2) or (3) of the Companies Act 2006.

Copies of these condensed interim financial statements and the Group's most recent annual financial statements are available from the Group's website www.gresham-computing.com or by writing to the Company Secretary at the Company's registered office.

## 2 Segmental information

The following analysis is presented on a monthly basis to the chief operating decision maker of the business, the Chief Executive Officer, and the Board of Directors.

*"RTFS"* refers to Real-Time Financial Solutions and includes CTC revenues and activities. The period for the six months ended 30 June 2014 has been restated to show the CTC component of RTFS.

*"Legacy Products"* refers to the Group's activities that were previously shown as "Software".

During the six months ended 30 June 2015 the company incurred £90,000 of exceptional one-off costs in respect of the CEO recruitment and capital restructuring of the Company. Due to the non-recurring nature of these items, they have been shown as exceptional items in these interim financial statements.

All activities were continuing during the year.

***6 Months Ended 30 June 2015 (unaudited)***

| | *Legacy Products £000* | *RTFS £000* | *Adjustment, central & eliminations £000* | ***Total £000*** |
|---|---|---|---|---|
| *Revenue* | | | | |
| External customer | 1,289 | 5,798 | - | **7,087** |
| Inter-segment | - | - | - | **-** |
| Total revenue | 1,289 | 5,798 | - | **7,087** |
| | | | | |
| CTC revenues | - | 2,174 | - | **2,174** |
| Other revenues | 1,289 | 3,624 | - | **4,913** |
| | | | | |
| Profit / (loss) before taxation and exceptional charges | 1,186 | (143) | (306) | **737** |
| Exceptional charges | - | - | (90) | **(90)** |
| Profit / (loss) before taxation | 1,186 | (143) | (396) | **647** |
| Taxation | - | - | 250 | **250** |
| Profit / (loss) after taxation | 1,186 | (143) | (146) | **897** |
| | | | | |
| Segment assets | 229 | 12,605 | 5,915 | **18,749** |

***6 Months Ended 30 June 2014 (unaudited)***

| | *Legacy Products £000* | *RTFS £000* | *Adjustment, central & eliminations £000* | ***Total £000*** |
|---|---|---|---|---|
| *Revenue* | | | | |
| External customer | 1,251 | 5,123 | - | **6,374** |
| Inter-segment | - | - | - | **-** |
| Total revenue | 1,251 | 5,123 | - | **6,374** |
| | | | | |
| CTC revenues | - | 1,984 | - | **1,984** |
| Other revenues | 1,251 | 3,139 | - | **4,390** |
| | | | | |
| Profit / (loss) before taxation | 1,049 | (156) | (296) | **597** |
| Taxation | - | - | 242 | **242** |
| Profit / (loss) after taxation | 1,049 | (156) | (54) | **839** |
| | | | | |
| Segment assets | 281 | 11,296 | 6,156 | **17,733** |

## 3 Taxation

| | 6 months ended 30 June 2015 Unaudited £'000 | 6 months ended 30 June 2014 Unaudited £'000 | 12 months ended 31 December 2014 Audited £'000 |
|---|---|---|---|
| *Current Tax* | | | |
| UK Corporation tax charge / (credit) – current year | (325) | (242) | (877) |
| UK Corporation tax charge / (credit) – adjustment to previous year | - | - | 29 |
| Overseas tax charge / (credit) – current year | 75 | - | 69 |
| Overseas tax charge / (credit) – adjustment to previous year | - | - | (29) |
| | (250) | (242) | (808) |
| *Deferred Tax* | | | |
| Derecognition / (recognition) of deferred tax asset | - | - | 93 |
| Tax rate change adjustments | - | - | 76 |
| | - | - | 169 |
| Tax credit | (250) | (242) | (639) |

## 4 Earnings per ordinary share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the profit and share data used in the basic and diluted loss per share computations:

| | 6 months ended 30 June 2015 Unaudited £'000 | 6 months ended 30 June 2014 Unaudited £'000 | 12 months ended 31 December 2014 Audited £'000 |
|---|---|---|---|
| Net profit attributable to owners of the parent | 897 | 839 | 1,095 |
| | Number | Number | Number |
| Basic weighted average number of shares | 63,233,478 | 61,992,825 | 61,992,825 |
| *Dilutive potential ordinary shares:* | | | |
| Employee share options | 5,658,000 | 5,468,653 | 5,468,653 |
| Diluted weighted average number of shares | 68,891,478 | 67,461,478 | 67,461,478 |

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of this interim statement.

## 5 Dividends paid and proposed
No dividends were declared or paid during the period or comparative periods.

## 6 Principal risks and uncertainties
The principal risks and uncertainties facing the Group are disclosed in the Group's financial statements for the year ended 31 December 2014, available from www.gresham-computing.com and remain unchanged.

## 7 Adjusted EBITDA reconciliation
Adjusted EBITDA for the Group's operations is calculated as EBITDA excluding exceptional charges, reconciled as follows:

| | 6 months ended 30 June 2015 £'000 | 6 months ended 30 June 2014 £'000 |
|---|---|---|
| Profit before tax including exceptional charge | 647 | 597 |
| Exceptional charge | 90 | - |
| Profit before tax excluding exceptional charge | 737 | 597 |
| Amortisation and depreciation | 392 | 308 |
| Share option charge | 29 | 25 |
| Interest net | (12) | (17) |
| Adjusted EBITDA profit | 1,146 | 913 |

## 8 Statement of directors' responsibilities
The Directors are responsible for preparing the half-yearly financial report, in accordance with applicable law and regulations.

The Directors confirm, to the best of their knowledge, that this condensed set of financial statements:

- has been prepared in accordance with IAS 34 as adopted by the European Union; and
- includes a fair review of the information required by Rules 4.2.7 and 4.2.8 of the Disclosure and Transparency Rules of the United Kingdom Financial Conduct Authority.

## 9 Related Party Transactions
No related party transactions have taken place during the first six months of the year that have materially affected the financial position or performance of the Company.

There have been no changes in the related parties transactions described in the last annual report that could have a material effect on the financial position or performance of the Company in the first six months of the current financial year.

Gresham
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