14 August 2013

Gresham Computing plc
(“Gresham” or the "Company" or the “Group”)
Half-yearly report

Gresham Computing plc, the specialist provider of software based solutions that enable customers to achieve real-time financial certainty in transaction and cash management, is pleased to report its half-yearly results for the 6 months ended 30 June 2013.

Highlights for the 6 months ended 30 June 2013 are set out below for the continuing business:

- Further CTC win with buy-side asset manager announced today;
- Revenues up 23% to £6.44m driven by CTC sales growth;
- Profit before tax up 11% to £0.70m (H1 2012: £0.64m);
- Adjusted EBITDA profit up 17% to £1.01m, (H1 2012: £0.86m);
- Basic EPS continuing operations 1.49 pence (H1 2012: £1.40 pence);
- Cash £1.97m and no debt (31 December 2012: £2.86m and no debt);
- Demonstrated our ability to win large global CTC deals with major customers:
    - June 13 deal worth £3m over 5 years with Tier 1 investment bank;
    - July 13 deal worth $15m over 20 years Tier 1 wholesale bank;
- £9.5m of 2014 forecast revenues already contracted at August 2013; and
- Management confident about outlook.

Chris Errington, CEO of Gresham, commented:

"2013 was always going to be about selling CTC to new customers and we are pleased to report strong success against that strategic objective, with a further CTC win announced today. We have rapidly grown CTC revenues and won a series of highly credible customers, with an ever expanding pipeline of prospective customers to be won in future periods. We have also demonstrated our global capabilities and ability to win significant value deals for the long term. We are confident in our CTC led strategic future.”

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CEO Operational Review

Gresham Computing plc is a specialist provider of software based solutions that enable customers to achieve real-time financial certainty in transaction and cash management.

We aim to be the market leader in transaction control solutions – giving customers real-time financial certainty in their transaction processing. Our strategy is to build long term annuity revenues from existing and new customers to increase the visibility of revenues going into future years.

Central to this strategy is a new software platform developed and owned by Gresham called Clareti Transaction Control (CTC). CTC is an innovative, modern technology specifically developed by our team of experts to re-vitalise the large but stale global market for matching and reconciliation software.

We expected 2013 to be a pivotal year for the Group as we moved from a CTC development focus to customer sales and commercialisation. We increased our investment in CTC sales and marketing coming into 2013 to drive customer sales, confident in our growing pipeline of prospects and market feedback.

We have made significant strategic progress in the period as set out in this report. In summary:

- We have delivered strong progress with selling CTC – we announce a further CTC customer today;
- Our financial performance is on track and we are balancing investment in growth with short term financial objectives;
- Existing lines of business continue to deliver good results; and
- We are very well positioned to grow our business through CTC.

CTC progress update

I am pleased to report that the Group has made an excellent start to the financial year, with significant progress in selling and commercialising our exciting new product CTC as follows:

- Major contract wins to the date of this report:
    - A major Tier 1 investment bank purchased CTC as the technology of choice for real-time intersystem matching and reconciliation, globally. This contract is expected to generate revenues of approximately £3 million over the next 5 years; and
    - A leading Tier 1 bank purchased CTC for use in its wholesale banking business globally. The contract has a strong matching and reconciliation requirement and an initial term of 20 years. We expect to generate revenues of approximately US$15million (£10 million) over the initial term, approximately $4.5 million (£3 million) of which will be over the next 5 years;
- Other contract wins in 2013 to the date of this report that are together worth a total of approximately £1 million measured over a 5 year period:
    - Jones Lang LaSalle went live with CTC to increase the level of automation in matching and allocating incoming receipts for its UK property management business;
    - A major financial services company in the Asia Pacific region purchased CTC as a platform matching and reconciliation technology to complete a multi-system migration project. This contract has subsequently been expanded to include another project for delivery in 2013; and

- We announce today that a London based global fixed income investment manager has purchased CTC for real-time matching and reconciliation in their buy-side business.

The above wins are engagements where the customer is either replacing legacy in-house technology (for example spread sheets and in-house developed product) or entering a new market that required an innovative solution.

The majority of these CTC engagements were won in competition with well-established market vendors and often against the customer's incumbent vendor for this type of solution. We were in most cases selected because we had better people and better technology – key differentiators being our ability to rapidly bring customers onto CTC (termed 'rapid on-boarding') and a wide range of other technological innovations that give CTC better functionality.

We are currently engaged in a number of CTC proof-of-concepts with new prospective customers that range in size from Tier 1 banks to national corporates. We expect to report progress with these engagements in due course.

During the period, we applied for a patent in respect of our CTC software and that application is currently pending.

Other parts of the business

Our cash management and legacy software businesses continued to generate strong revenues and cash flows, forming a strong base from which to grow our CTC business. We continue to gain traction with new customer wins through our cash management solutions at Barclays and ANZ.

Financial Review

Trading

The following table summarises the financial performance of the Group's continuing operations in the period:

	6 months to 30 June 2013 £m	**30 June 2012 £m**	
Software	1.21	1.62	*-25%*
Real-time financial solutions	5.23	3.60	*45%*
Total revenues continuing operations	**6.44**	**5.22**	*23%*
Profit before tax continuing operations	**0.70**	**0.64**	*11%*
Amortisation and depreciation	0.26	0.17	*53%*
Share option charges	0.07	0.07	*0%*
Interest net	(0.02)	(0.01)	*100%*
Adjusted EBITDA profit continuing operations	**1.01**	**0.86**	*17%*
Profit after tax continuing operations	**0.87**	**0.82**	*6%*
Basic EPS (pence) continuing operations	**1.49**	**1.40**	*6%*

Continuing operations
Revenues grew 23% to £6.4 million in the first half of 2013. Growth was wholly attributable to our Real-Time Financial Solutions business, where revenues grew 45% to £5.2 million (H1 2012 £3.6 million) driven primarily by increasing sales of CTC. Software business revenues were down in line with our expectations.

Overall, 43% of Group revenues arose from annuity maintenance and SaaS contracts, with a further 47% from professional services work and the remaining 10% from sales of licenses.

In our Real-Time Financial Solutions business, 31% of revenues arose from annuity maintenance and SaaS contracts, 58% from professional services and 11% from license sales. We are experiencing an increase in the overall mix levels of professional services revenues as we engage with and implement solutions at a number of larger customers, an activity that will continue to drive annuity revenues over time.

CTC delivered £1.3 million of revenues in the first half of 2013 (£0.2 million H1 2012), with CTC sales growing particularly strongly in Q2 2013 as the impact of our new investment in sales and marketing began to pay off. We have a large backlog of secured CTC work to deliver over the remainder of 2013 and well into 2014 together with a rapidly growing annuity income stream, the real benefit of which will be seen in 2014 and beyond.

In our Software business, 95% of revenues arose from annuity maintenance and SaaS contracts and the remaining 5% from sales of licenses. The overall decline in revenue year on year was expected and resulted from one-off license sales in 2012 that did not repeat in 2013.

During the first half, we made new investments in a number of business areas with a particular focus on sales and marketing resource to drive CTC sales. I am pleased to report that this investment has been rewarded with a growing level of new revenues and customers, especially in respect of CTC.

Discontinued operations
On 11 March 2013, we announced the disposal of our Banking and Lending business operating in the Caribbean market, allowing us to focus attention on our strategic objectives for CTC in North America. The total consideration received was £0.5 million, generating a loss on disposal of £0.2 million with a net cash inflow of approximately £0.3 million.

Working capital and cash
The following summary cashflow covers the results of the Group as a whole, Continuing and Discontinued:

	30-Jun-13	**30-Jun-12**
	£m	**£m**
Adjusted EBITDA	1.01	0.94
Working capital movements	(1.24)	(0.93)
Cash (outflow) / inflow from operations	(0.23)	0.01
Interest received	0.02	0.02
Purchase of property, plant and equipment	(0.29)	(0.05)
Payments to acquire intangible fixed assets	(0.70)	(0.71)
Disposal of subsidiary undertaking	0.26	0.00
Net cash used in investing activities	(0.71)	(0.74)
Net decrease in cash and cash equivalents	(0.94)	(0.73)

Cash at 1 January	2.89	3.60
Exchange adjustments	0.02	(0.01)
Cash and cash equivalents at end of period	**1.97**	**2.86**

The working capital increase in the first half arose mainly from new CTC sales invoiced towards the end of Q2 2013, with a resulting increase in trade receivables.

We continued to invest in R&D, an investment already rewarded with new CTC customer wins. In addition, we are completing a program of property and infrastructure changes that better suit the needs of our future business and customers, with an associated capital expenditure of £0.3 million in the period.

Taxation

At 30 June 2013, the Group had total tax losses carried forward for offset against future trading profits of approximately £9 million. As a result, the Group has no material tax charge or liability and should be sheltered from UK tax in particular for quite some time.

For the period to 30 June 2013, the Group has recorded a tax credit of £0.14 million in connection with a research and development tax credit related to new product development, and the release of a £0.03m provision no longer required in respect of overseas tax in prior years.

Outlook

2013 was always going to be about selling CTC to new customers and we are pleased to report strong success against that strategic objective. We have rapidly grown CTC revenues and won a series of highly credible customers, with an ever expanding pipeline of prospective customers engaged and to be won in future periods. We have also demonstrated our global capabilities and ability to win significant value deals for the long term.

Our business model to grow recurring revenues from sales of CTC is improving the visibility of future revenues significantly. At August 2013, approximately £9.5 million of our forecast revenues for 2014 are already contracted, with the majority (£6.3 million) of this contracted amount arising from recurring annuity and maintenance contracts. Our growing base of CTC customers now means that we are carrying a strong backlog of work for delivery in 2014.

There is no doubt that growth requires investment and we are carefully balancing short term financial objectives with opportunities to expand our CTC customer base faster and wider. Our investment in CTC is now driving the Group's growth and we expect this to continue and accelerate well into 2014 and beyond.

Chris Errington
Chief Executive Officer
14 August 2013

Consolidated Income Statement
For the period ended 30 June 2013

	Notes	6 months ended 30 June 2013 Unaudited £'000	*Restated** 6 months ended 30 June 2012 Unaudited £'000	*Restated** 12 months ended 31 December 2012 Unaudited £'000
Continuing Operations				
Revenue	2	6,436	5,220	10,333
Cost of goods sold		(1,887)	(1,348)	(2,538)
Gross profit		4,549	3,872	7,795
Administrative expenses		(3,868)	(3,252)	(6,240)
Trading profit		**681**	**620**	**1,555**
Finance revenue		19	16	36
Finance costs		(2)	(1)	(5)
Profit before taxation from continuing operations		**698**	**635**	**1,586**
Taxation	3	169	181	408
Profit after taxation from continuing operations		**867**	**816**	**1,994**
Discontinued Operations				
(Loss) / profit after taxation for the period from discontinued operations	6 a)	(173)	76	(29)
Attributable to owners of the parent	2	**694**	**892**	**1,965**
Earnings per share				
Basic earnings per share - pence	4	1.19	1.53	3.38
Diluted earnings per share - pence	4	1.07	1.38	3.05
Earnings per share – continuing operations				
Basic earnings per share - pence	4	1.49	1.40	3.43
Diluted earnings per share - pence	4	1.34	1.26	3.09

* HY 2012 and FY 2012 presentation restated for Discontinued Operations during the period

Consolidated Statement of Comprehensive Income
For the period ended 30 June 2013

	6 months ended 30 June 2013 Unaudited £'000	6 months ended 30 June 2012 Unaudited £'000	12 months ended 31 December 2012 Audited £'000
Attributable profit for the period	694	892	1,965
Other comprehensive income			
Exchange differences on translation of foreign operations	(170)	(17)	(60)
Exchange differences transferred to income statement on disposal of subsidiary undertakings	152	-	-
	(18)	(17)	(60)
Total comprehensive income for the year	676	875	1,905

Consolidated Statement of Financial Position
At 30 June 2013

	Notes	At 30 June 2013 Unaudited £'000	At 30 June 2012 Unaudited £'000	At 31 December 2012 Audited £'000
Assets				
Non-current assets				
Property, plant & equipment		475	279	327
Intangible assets		4,418	3,524	4,138
Deferred tax asset		473	450	473
Trade and other receivables		-	-	122
		5,366	4,253	5,060
Current assets				
Trade and other receivables		3,526	2,513	3,110
Income tax receivable		176	421	348
Cash and cash equivalents		1,972	2,856	2,891
		5,674	5,790	6,349
Total assets		**11,040**	**10,043**	**11,409**
Equity & Liabilities				
Equity attributable to owners of the parent				
Called up equity share capital		2,907	2,907	2,907
Share premium account		13,124	13,124	13,124
Other reserves		1,039	1,039	1,039
Foreign currency translation reserve		282	343	300
Retained earnings		(10,467)	(12,427)	(11,226)
		6,885	4,986	6,144
Non-current liabilities				
Deferred income		244	705	548
Provisions		-	166	53
		244	871	601
Current liabilities				
Trade, other payables and deferred income		3,748	3,905	4,538
Financial liabilities		-	18	-
Income tax payable		-	-	-
Provisions		163	263	126
		3,911	4,186	4,664
Total liabilities		4,155	5,057	5,265
Total equity and liabilities		**11,040**	**10,043**	**11,409**

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 2012	2,907	13,124	1,039	360	(13,393)	4,037
Attributable profit for the period	-	-	-	-	892	892
Other comprehensive income	-	-	-	(17)	-	(17)
Total comprehensive	-	-	-	(17)	892	875
Share based payment	-	-	-	-	74	74
At 30 June 2012	2,907	13,124	1,039	343	(12,427)	4,986
Attributable profit for the period	-	-	-	-	1,073	1,073
Other comprehensive income	-	-	-	(43)	-	(43)
Total comprehensive	-	-	-	(43)	1,073	1,030
Share based payment	-	-	-	-	128	128
At 31 December 2012	2,907	13,124	1,039	300	(11,226)	6,144
Attributable profit for the period	-	-	-	-	694	694
Other comprehensive income	-	-	-	(18)	-	(18)
Total comprehensive	-	-	-	(18)	694	676
Share based payment	-	-	-	-	65	65
At 30 June 2013	2,907	13,124	1,039	282	(10,467)	6,885

Consolidated Statement of Cash flows
For the period ended 30 June 2013

	6 months ended 30 June 2013 Unaudited £'000	6 months ended 30 June 2012 Unaudited £'000	12 months ended 31 December 2012 Audited £'000
Cash flows from operating activities			
Profit before tax from continuing operations	698	635	1,586
(Loss) / Profit before tax from discontinued operations	(173)	76	(29)
Profit before taxation	525	711	1,557
Depreciation, amortisation & impairment	262	173	422
Share based payment expense	65	74	202
(Increase) / decrease in trade and other receivables	(915)	618	(101)
Decrease in trade and other payables	(648)	(1,281)	(805)
Movement in provisions	(17)	(272)	(521)
Revaluation of foreign exchange instrument	-	-	(18)
Loss on disposal of subsidiary undertaking	178	-	-
Net finance income	(19)	(16)	(36)
Cash (outflow) / inflow from operations	(569)	7	700
Net income taxes received	340	-	277
Net cash (outflow) / inflow from operating activities	(229)	7	977
Cash flows from investing activities			
Interest received	19	16	36
Purchase of property, plant and equipment	(292)	(51)	(201)
Payments to acquire intangible fixed assets	(694)	(711)	(1,497)
Disposal of subsidiary undertaking (note 6 c)	258	-	-
Net cash used in investing activities	(709)	(746)	(1,662)
Cash flows from financing activities			
Interest paid	-	-	-
Net cash used in financing activities	-	-	-
Net (decrease) in cash and cash equivalents	**(938)**	**(739)**	**(685)**
Cash and cash equivalents at beginning of period	2,891	3,602	3,602
Exchange adjustments	19	(7)	(26)
Cash and cash equivalents at end of period	**1,972**	**2,856**	**2,891**

Notes to the condensed interim financial statements
1 Basis of preparation

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 Services Authority ('FSA'), and were approved on behalf of the Board by the Chief Executive Officer Chris Errington and Chief Financial Officer Rob Grubb on 13 August 2013.

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 2012.

The financial statements for the year ended 31 December 2012, 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.

The presentation of the unaudited Consolidated Income statement for the 6 months ended 30 June 2012 and for the year ended 31 December 2012, and the associated notes 2, 4 and 8 have been restated to reflect the Group's discontinued operations, following the Group's disposal of its wholly owned subsidiary in March 2013

Where comparatives have been included in these condensed interim financial statements that were also disclosed in the Group's most recent annual financial statements for the year ended 31 December 2012 these comparatives are shown as audited; however where such comparatives have been adjusted as a result of the Group's discontinued operations, these restatements are unaudited.

Copies of these condensed interim financial statements and the Group's most recent annual financial statements are available on request by writing to the Company Secretary at our registered office Gresham Computing plc, Sopwith House, Brook Avenue, Warsash, Southampton, SO31 9ZA, or from our website www.gresham-computing.com

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.

During the period-ended 30 June 2013 the Group re-evaluated the internal presentation of its operating segments to more appropriately aggregate the differing sets of risks the Group's businesses face. This has increased focus on product groups across businesses rather than the geographic location of the businesses themselves, which is consistent with internal reporting.

The change has had the following impact on classification of operating segments:

Previous classification	*Current classification*
Software	Software
North America RTFS	RTFS
Asia Pacific & EMEA RTFS	RTFS
Adjustments, central & eliminations	Adjustments, central & eliminations

"RTFS" refers to Real Time Financial Solutions.

The Group's Development function, and associated capitalisation of development costs, both previously classified within Adjustments, central & eliminations are now included within RTFS. Disclosures in respect of the period ended 30 June 2012 have been updated accordingly.

During the 6 months ended 30 June 2013, the Group disposed of its wholly owned Canadian subsidiary, Gresham Computing Inc, which formed part of its RTFS segment.

6 Months Ended 30 June 2013 (unaudited)

	Software £000	*RTFS £000*	*Adjustment, central & eliminations £000*	***Sub-total £000***	*Less Discontinued Operations £000*	***Continuing Consolidated £000***
Revenue						
External customer	1,210	5,456	-	**6,666**	230	**6,436**
Inter-segment	-	47	(47)	**-**	-	**-**
Total revenue	1,210	5,503	(47)	**6,666**	230	**6,436**
Profit / (loss) before taxation	892	143	(332)	**703**	5	**698**
Taxation	-	-	169	**169**	-	**169**
Profit / (loss) before taxation	892	143	(163)	**872**	5	**867**
Segment assets	71	8,350	2,619	**11,040**	-	**11,040**

6 Months Ended 30 June 2012 (unaudited & restated)

	Software £000	*RTFS £000*	*Adjustment, central & eliminations £000*	***Sub-total £000***	*Less Discontinued Operations £000*	***Continuing Consolidated £000***
Revenue						
External customer	1,624	4,392	-	**6,016**	796	**5,220**
Inter-segment	-	98	(98)	**-**	-	**-**
Total revenue	1,624	4,490	(98)	**6,016**	796	**5,220**
Profit / (loss) before taxation	1,226	188	(703)	**711**	76	**635**
Taxation	-	-	181	**181**	-	**181**
Profit / (loss) before taxation	1,226	188	(522)	**892**	76	**816**
Segment assets	443	5,700	3,900	**10,043**	598	**9,445**

3 Taxation

a) Continuing Operations	**6 months ended 30 June 2013 Unaudited £'000**	**6 months ended 30 June 2012 Unaudited £'000**	**12 months ended 31 December 2012 Audited £'000**
Current Tax			
UK Corporation tax credit	(140)	(131)	(335)
Amounts over provided in previous years – Overseas	(29)	-	-
	(169)	(131)	(335)
Deferred Tax			
Recognition of deferred tax asset	-	(50)	(112)
Tax rate change adjustments	-	-	39
	-	(50)	(73)
Tax credit	(169)	(181)	(408)

b) Discontinued Operations

There was no tax charge or credit in respect of the Group's Discontinued Operations for the 6 month periods ending 30 June 2013 and 30 June 2012, or for the year ending 31 December 2012 and therefore no restatement of these periods is required. No tax charge or credit arises on the parent company's disposal of the wholly owned subsidiary during the period.

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 2013 Unaudited £'000	*Restated* **6 months ended 30 June 2012 Unaudited £'000**	*Restated* **12 months ended 31 December 2012 Unaudited £'000**
Net profit attributable to owners of the parent			
- Continuing Operations	867	816	1,994
- Discontinued Operations	(173)	76	(29)
	694	892	1,965
	Number	Number	Number
Basic weighted average number of shares	58,135,978	58,135,978	58,135,978
Dilutive potential ordinary shares:			

Employee share options	6,773,000	6,638,000	6,386,949
Diluted weighted average number of shares	64,908,978	64,773,978	64,622,827

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 Discontinued Operations

The Group signed and completed an agreement to sell its 100% equity share interest in Gresham Computing Inc (Canada) ("GCIC") to BITSS Global Inc. on 8 March 2013, and as a result the operations of GCIC are shown as Discontinued Operations.

a) Results of Discontinued Operations

Revenue and expenses, and gains and losses relating to the discontinued operations have been removed from the results of continuing operations and are shown as a single line item on the face of the Statement of Consolidated Income. The operating results of the discontinued operation are as follows:

		6 months ended 30 June 2013 Unaudited £'000	**6 months ended 30 June 2012 Unaudited £'000**	**12 months ended 31 December 2012 Unaudited £'000**
Revenue		230	796	1,773
Cost of goods sold		(11)	(65)	(165)
Gross profit		219	731	1,608
Administrative expenses		(214)	(655)	(1,637)
Trading profit / (loss)		**5**	**76**	**(29)**
Loss on disposal of subsidiary undertaking	6 d)	(178)	-	-
Finance revenue		-	-	-
Finance costs		-	-	-
(Loss) / Profit before taxation		**(173)**	**76**	**(29)**
Taxation		-	-	-
(Loss) / Profit after taxation		**(173)**	**76**	**(29)**

b) Assets and liabilities disposed of other than cash

	£'000
Intangible fixed assets	212
Tangible fixed assets	16
Current assets	546
Current liabilities	(114)
Deferred income	(313)
Total assets and (liabilities) disposed of other than cash and cash equivalents	347

c) Cash and cash equivalents relating to the disposal

	£'000
Disposal consideration discharged by means of cash	512
Cash and cash equivalents in company on disposal	(37)
Net cash inflow from disposal of subsidiary undertaking	475
Costs relating to the disposal	(154)
Deferred consideration	(63)
Net cash inflow from disposal of subsidiary undertaking after costs	258

d) Loss on disposal

	£'000
Total consideration	475
Net assets (excluding cash) disposed	(347)
	128
Costs relating to the disposal	(154)
Deferred cumulative foreign exchange transferred from equity	(152)
Net loss on disposal of Gresham Computing Inc.	(178)

7 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 2012, available from www.gresham-computing.com and remain unchanged.

8 Adjusted EBITDA reconciliation

Adjusted EBITDA for the Group's continuing operations is calculated as EBITDA before non-cash share option charges, reconciled as follows:

Continuing Operations	**6 months ended 30 June 2013 £'000**	*Restated* **6 months ended 30 June 2012 £'000**
Profit before tax	698	634
Amortisation and depreciation	262	165
Share option charges	65	74
Interest net	(17)	(14)
Adjusted EBITDA profit	1,008	859

9 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 Services Authority.

10 Related Party Transactions

No related party transactions have taken place during the year that have materially affected the financial position or performance of the Company.