

Regulatory Story

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Company Omega Diagnostics Group PLC
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OMEGA DIAGNOSTICS GROUP PLC
 ("Omega" or the "Company" or the "Group")

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

Omega, the AIM listed medical diagnostics company, announces interim results for the six months ended 30 September 2013, which are in line with management expectations.

Omega is one of the UK's leading companies in the fast growing area of food intolerance testing and also operates in markets supplying tests for allergies and autoimmune diseases and specific infectious diseases through a strong distribution network in over 100 countries.

Financial Highlights:

- Revenue similar to last year at £5.59m (2012: £5.53m)
- Gross profit increased by 2% on the same period last year at £3.56m (2012: £3.48m)
- Gross margin slightly ahead of the same period last year at 63.6% (2012: 62.9%)
- Adjusted profit before tax ("PBT") up 14% to £0.43m (2012: £0.38m)
- Adjusted earnings per share ("EPS") of 0.6p (2012: 0.7p)
- Cash at the period end increased to £3.3m (2012: £0.78m)

Other Highlights:

- Successful institutional placing to raise £4m before expenses
- Appointment of Bill Rhodes as a Non-Executive Director
- Grant of US patent for CD4
- Good progress on IDS-iSYS with an ever increasing visibility of commercial launch
- Preferred manufacturing protocol for CD4 selected for three-batch evaluation

Regarding outlook, David Evans, Chairman, said:

"Trading in the first half of the year is in line with management's expectation. The core business has held up as certain headwinds have been mitigated with growth in other parts of the business. We recognise that our ability to make a step change of our future growth is highly predicated on successful outcomes of both our CD4 and IDS-iSYS projects and we are at sufficiently advanced stages with both projects to be very confident that both will deliver significant shareholder value in the next financial year."

Contacts:

Omega Diagnostics Group PLC
 Andrew Shepherd, Chief Executive
 Kieron Harbinson, Group Finance Director

Tel: 01259 763 030 or www.omegadiagnostics.com

Jag Grewal, Group Sales and Marketing
Director

finnCap Ltd

Geoff Nash/Christopher Raggett (Corporate Finance)
Stephen Norcross/Mia Gardner (Corporate Broking)

Tel: 020 7220 0500

Walbrook PR Limited

Paul McManus
Lianne Cawthorne

Tel: 020 7933 8780 or omega@walbrookpr.com

Mob: 07980 541 893
Mob: 07584 391 303

Chairman's Statement

Trading in the current period has delivered a marginal increase in both revenue and gross profit. Adjusted profit before tax is 14% ahead of the same period last year and in line with management expectations. During the period, there have been a number of positives, including the successful institutional placing to raise £4m before expenses, the appointment of Bill Rhodes as a Non-Executive Director and the grant of a US patent for CD4. We are aware of the frustrations felt by many when development timelines slip, but we remain focused and determined to deliver on our two key projects covering Visitect CD4 and the commercialisation of a panel of allergy tests on the automated IDS-iSYS instrument.

Financial

Revenue for the period increased marginally to £5.59m (2012: £5.53m). Geographically, revenue increased in Asia/Far East to £0.70m (2012: £0.67m) and in the Americas to £0.57m (2012: £0.45m). Revenue was stable across the UK and Europe at £3.61m (2012: £3.65m) whereas Africa and Middle East reduced slightly to £0.72m (2012: £0.76m).

Gross margin has increased slightly across the Group as a whole at 63.6% (2012: 62.9%) with a decline in infectious disease margin being mitigated by gains in food intolerance and allergy/autoimmune margins.

Administration costs have increased marginally to £2.37m from £2.23m. Much of the increase relates to bank charges and foreign exchange losses on trading operations increasing to £0.12m from £0.04m. Slightly higher costs in Germany and India were offset by reductions in UK-based operations as a result of a cost management exercise.

Sales and marketing cost reduced slightly to £1.03m (2012: £1.11m). Costs in the UK and Germany fell by a combined £0.11m whilst costs in India rose slightly by £0.03m.

Despite Group sales only advancing by 1%, an improved gross margin and the concerted effort to manage the cost base, adjusted profit before tax increased by 14% to £0.43m compared to £0.38m in the prior period. The Group has also accounted for a tax credit in the period of £0.08m (2012: £0.20m), the reduction in which reflects an increase in the deferred tax liability on capitalised development costs. Accordingly, adjusted earnings per share has reduced marginally to 0.6p (2012: 0.7p) as detailed in Note 6 below. Consistent with prior reporting periods, a reconciliation of reported profit before tax to adjusted profit before tax is shown directly underneath the income statement.

Food Intolerance

Divisional revenue increased by 9% to £2.25m (2012: £2.06m) with another strong performance particularly with Food Detective®.

Genarrayt® reagent sales increased to £0.88m (2012: £0.84m) with Spain regaining the number one market ranked by sales in the period. The top five markets by sales as a percentage of total sales, has fallen to 67% in this period from 71% in the prior period, illustrating our increasing penetration of smaller markets.

Food Detective® sales increased by 36% to £0.73m (2012: £0.54m) with continued growth in our largest market, Poland and further expansion in Brazil and Australia.

Foodprint® sales from lab testing services grew by 13% to £0.34m (2012: £0.30m). The reporting format of food intolerance tests has also been improved, which has been well received by customers.

Allergy and Autoimmune

Revenue for the whole division increased by 2% to £2.07m (2012: £2.02m). Autoimmune sales decreased to £0.24m from £0.28m in the prior period.

Germany

Sales through Omega GmbH in Germany declined 2% in euro terms but increased 4% in our reporting currency due to a stronger euro against sterling in the current period. Mention has also been made of seasonal weather effects and whilst this again had an impact, historically we have been able to mitigate this in the second half of the year. However, there has been good news in terms of some of the risks that existed with the reimbursement scenario:

- Doctor practices will still be able to test samples referred by other practices
- There is to be no change to the requirement that only one doctor needs to be registered with an *OIII qualification*

(a qualification obtained after formal training to allow the doctor to run and be reimbursed for diagnostic tests in his/her own practice) for allergy testing for the whole practice to earn reimbursement

- The *OIII qualification* will remain valid in its own right without the need for a formal laboratory medicine qualification

IDS-iSYS

Further to the update given at the time of the full year results, the selected assay protocol has been tested with six batches of reagents on four different iSYS instruments and found to be very robust. 13 allergens have been optimised with a further 11 currently going through the optimisation procedure. The claim support work (which examines stability and robustness of assays) which commenced at the end of June has required 30 experimental designs to be devised and written to investigate issues such as robustness and cross reactivity. The majority of these completed designs are applicable for all future work with minor amendments required to design elements in certain other cases. The first sets of optimised allergens commenced their hands on claim support experiments last month and we will be in a better position to give final clarity around the launch timetable once we are able to gauge the flow-through work rate from this first set of experiments.

Infectious Disease/other

Revenue for the division reduced by 12% to £1.28m (2012: £1.44m). The reduction in turnover was partly due to a drop in sales of bacterial tests to £0.19m (2012: £0.26m). In particular, one customer was unable to meet its minimum contracted volumes and the business arrangement has now been modified. As previously reported, sales of blood based TB tests were banned after May last year by the Indian authorities which has led to the discontinuance of this range of products where sales of £0.05m were made in the prior half-year.

CD4

Experiments have continued to determine and reduce the variability in the production process and since the most recent update at the end of last month, a preferred manufacturing protocol has been identified. This has been tested alongside the next best protocol and further results suggest the preferred protocol as being the correct choice. This protocol will now proceed to a three-batch evaluation with the work to be undertaken at external evaluation sites and we remain very confident of completing the technology transfer. Considerable effort has been spent on pre-launch marketing activities including exhibitions and meetings with key opinion leaders in the Global Health community generating significant interest. It is this interest which is expected to translate into significant sales.

BRIC Strategy

India

Omega Dx (Asia) has now been fully operational since July of last year. It now has a team of 19 full time employees, of which 12 are based in the field. It has expanded its network of sub-stockists to over 80 across 14 states covering all the main metropolitan cities in India. Sales in the first half were £233k (2012: £168k) where last year's comparison is comprised of three months of sales through the old distributor and three months of sales through Omega Dx (Asia). This still represents an increase of 39% despite the weakening of the Indian Rupee against sterling in the second quarter of the current financial year.

Outlook

Trading in the first half of the year is in line with management's expectation. The core business has held up as certain headwinds have been mitigated with growth in other parts of the business. We recognise that our ability to make a step change of our future growth is highly predicated on successful outcomes of both our CD4 and IDS-iSYS projects. The timelines to date for these projects are well documented and I reiterate the message from the last trading update that the ability to meet our expectations for the full year requires a contribution from CD4 before the end of the current financial year. Whilst there will remain a degree of uncertainty until we have completed the technology transfer, we are at sufficiently advanced stages with both projects to be very confident that both will deliver significant shareholder value in the next financial year. We will provide an update on CD4 before the end of the calendar year and a further update on the iSYS automation project in early 2014.

David Evans
Non-Executive Chairman
27 November 2013

INDEPENDENT REVIEW REPORT TO OMEGA DIAGNOSTICS GROUP PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2013 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and the related explanatory notes 1 to 6. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the

Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the AIM Rules issued by the London Stock Exchange which require that it is presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the AIM Rules issued by the London Stock Exchange.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2013 is not prepared, in all material respects, in accordance with the accounting policies outlined in Note 1, which comply with IFRS's as adopted by the European Union and in accordance with the AIM Rules issued by the London Stock Exchange.

Ernst & Young LLP
Glasgow
27 November 2013

Consolidated Statement of Comprehensive Income for the six months ended 30 September 2013

	Notes	6 months to 30 Sept 2013 £	6 months to 30 Sept 2012 £
Continuing operations			
Revenue	3	5,590,262	5,532,472
Cost of sales		<u>(2,032,093)</u>	<u>(2,051,832)</u>
Gross profit		3,558,169	3,480,640
Administration costs		(2,370,407)	(2,227,532)
Selling and marketing costs		<u>(1,028,319)</u>	<u>(1,106,927)</u>
Operating profit		159,443	146,181
Finance costs	4	(11,814)	(17,550)
Finance revenue - interest receivable		16,851	2,960
Profit before taxation		164,480	131,591
Tax credit	5	82,940	204,565
Profit for the period		<u>247,420</u>	<u>336,156</u>
Other comprehensive income to be reclassified to profit and loss in subsequent periods			
Exchange differences on translation of foreign operations		(61,690)	(256,408)
Tax credit		<u>5,552</u>	<u>31,757</u>

Other comprehensive income for the period to be reclassified to profit and loss in subsequent periods		(56,138)	(224,651)
Total comprehensive income for the period		191,282	111,505
Earnings Per Share (EPS)			
Basic and diluted EPS on profit for the period	6	0.3p	0.4p
Adjusted Profit before Taxation for the six months ended 30 September 2013			
		6 months to 30 Sept 2013	6 months to 30 Sept 2012
		£	£
Profit before taxation		164,480	131,591
IFRS-related discount charges (included within Finance costs)		6,970	12,619
Fair value adjustments to financial derivatives (included within Finance costs)		-	(454)
Amortisation of intangible assets (included within Administration costs)		210,655	197,684
Share-based payment charges (included within Administration costs)		45,158	33,825
Adjusted profit before taxation		427,263	375,265
Earnings Per Share (EPS)			
Basic and diluted Adjusted EPS on profit for the period	6	0.6p	0.7p

**Consolidated Balance Sheet
as at 30 September 2013**

	At 30 Sept 2013	At 31 March 2013	At 30 Sept 2012
	£	£	£
Assets			
Non-current assets			
Intangibles	10,752,018	10,347,876	9,249,068
Property, plant and equipment	2,244,045	2,116,286	2,008,104
Deferred taxation	810,721	553,647	367,947
Retirement benefit surplus	31,886	31,886	85,639
	13,838,670	13,049,695	11,710,758
Current assets			
Inventories	1,675,850	1,833,887	1,618,881
Trade and other receivables	2,428,939	2,556,762	2,523,059
Income tax receivable	-	7,106	20,428
Cash and cash equivalents	3,326,678	160,693	780,873
	7,431,467	4,558,448	4,943,241
Total assets	21,270,137	17,608,143	16,653,999
Equity and liabilities			
Issued capital	16,727,515	12,977,107	12,977,107
Retained earnings	1,221,811	985,371	492,733
Total equity	17,949,326	13,962,478	13,469,840
Liabilities			
Non-current liabilities			
Long term borrowings	345,313	484,472	444,645
Deferred taxation	777,977	609,395	501,393
Total non-current liabilities	1,123,290	1,093,867	946,038
Current liabilities			

Short term borrowings	426,489	367,649	720,000
Other financial liabilities	500,000	500,000	130,000
Trade and other payables	1,271,032	1,684,149	1,388,121
Total current liabilities	2,197,521	2,551,798	2,238,121
Total liabilities	3,320,811	3,645,665	3,184,159
Total equity and liabilities	21,270,137	17,608,143	16,653,999

Consolidated Statement of Changes in Equity for the six months ended 30 September 2013

	Share capital £	Share premium £	Retained earnings £	Total £
Balance at 1 April 2012	4,145,580	8,831,527	347,403	13,324,510
Profit for the period to 30 September 2012	-	-	336,156	336,156
Other comprehensive income - net exchange adjustments	-	-	(256,408)	(256,408)
Other comprehensive income - tax credit	-	-	31,757	31,757
Total comprehensive income	-	-	111,505	111,505
Share-based payments	-	-	33,825	33,825
Balance at 30 September 2012	4,145,580	8,831,527	492,733	13,469,840
Profit for the period to 31 March 2013	-	-	246,110	246,110
Other comprehensive income - net exchange adjustments	-	-	283,378	283,378
Other comprehensive income - actuarial loss on defined benefit pensions	-	-	(50,439)	(50,439)
Other comprehensive income - tax credit	-	-	(23,779)	(23,779)
Total comprehensive income	-	-	455,270	455,270
Share-based payments	-	-	37,368	37,368
Balance at 1 April 2013	4,145,580	8,831,527	985,371	13,962,478
Issue of share capital for cash consideration	941,176	3,058,824	-	4,000,000
Expenses in connection with share issue in period to 30 September 2013	-	(249,592)	-	(249,592)
Profit for the period to 30 September 2013	-	-	247,420	247,420
Other comprehensive income - net exchange adjustments	-	-	(61,690)	(61,690)
Other comprehensive income - tax credit	-	-	5,552	5,552
Total comprehensive income	-	-	191,282	191,282
Share-based payments	-	-	45,158	45,158

Balance at 30 September 2013	5,086,756	11,640,759	1,221,811	17,949,326
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**Consolidated Cash Flow Statement
for the six months ended 30 September 2013**

	6 months to 30 Sept 2013 £	6 months to 30 Sept 2012 £
Cash flows generated from operations		
Profit for the period	247,420	336,156
Adjustments for:		
Taxation	(82,940)	(204,565)
Finance costs	11,814	17,550
Finance income	(16,851)	(2,960)
Operating profit	159,443	146,181
Decrease/(increase) in trade and other receivables	127,823	(105,559)
Decrease in inventories	158,037	70,668
Decrease in trade and other payables	(413,117)	(64,893)
Depreciation	135,918	132,592
Amortisation of intangible assets	210,655	197,684
Taxation received	7,106	-
(Gain)/loss on sale of property, plant and equipment	(11,225)	1,010
Share-based payments	45,158	33,825
Net cash flow from operating activities	419,798	411,508
Investing activities		
Finance income	16,851	2,960
Purchase of property, plant and equipment	(298,187)	(129,915)
Purchase of intangible assets	(638,318)	(455,414)
Sale proceeds of property, plant and equipment	32,500	-
Net cash used in investing activities	(887,154)	(582,369)
Financing activities		
Finance costs	(3,443)	(1,708)
Proceeds from issue of share capital	4,000,000	-
Expenses of share issue	(249,592)	-
Loan repayments	(360,000)	(137,377)
New finance leases	282,366	-
Finance lease repayments	(11,056)	(13,361)
Net cash from financing activities	3,658,275	(152,446)
Net increase/(decrease) in cash and cash equivalents	3,190,919	(323,307)
Effects of exchange rate movements	(24,934)	(54,952)
Cash and cash equivalents at beginning of period	160,693	1,159,132
Cash and cash equivalents at end of period	3,326,678	780,873

Notes to the Interim Report

for the six months ended 30 September 2013

1. BASIS OF PREPARATION

For the purpose of preparing the March 2013 Annual financial statements the Directors used IFRS as adopted by the EU and in accordance with the AIM Rules issued by the London Stock Exchange. In preparing these interim financial statements, the same accounting policies have been used as set out in the Group's Annual Report for the year ended 31 March 2013. The Group has not applied IAS 34 *Interim Financial Reporting*, which is not mandatory for AIM companies, in the preparation of these interim financial statements.

The interim financial statements are unaudited but have been formally reviewed by the auditors and their report is unqualified. The information shown in the consolidated balance sheet as at 31 March 2013 does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 and has been extracted from the Group's 2013 Annual Report which has been filed with the Registrar of Companies. The report of the auditors on the financial statements contained within the Group's 2013 Annual Report was unqualified and did not contain a statement under sections 498 (2) and 498 (3) of Chapter 3, Part 16 of the Companies Act 2006. These interim financial statements were approved by the Board of Directors on 27 November 2013.

2. SEGMENT INFORMATION

For management purposes the Group is organised into three operating divisions: Allergy and Autoimmune, Food Intolerance and Infectious Disease and Other.

The Allergy and Autoimmune division specialises in the research, development, production and marketing of in-vitro allergy and autoimmune tests used by doctors to diagnose patients with allergies and autoimmune diseases.

The Food Intolerance division specialises in the research, development and production of kits to aid the detection of immune reactions to food. It also provides clinical analysis to the general public, clinics and health professionals as well as supplying the consumer Food Detective test.

The Infectious Diseases division specialises in the research, development and production and marketing of kits to aid the diagnosis of infectious diseases.

Corporate consists of centralised corporate costs which are not allocated across the three business divisions.

Inter segment transfers or transactions are entered into under the normal commercial conditions that would be available to unrelated third parties.

BUSINESS SEGMENT INFORMATION

September 2013	Allergy and Autoimmune £	Food Intolerance £	Infectious/ Other £	Corporate £	Group £
Statutory presentation					
Revenue	2,127,232	2,717,484	1,374,835	-	6,219,551
Inter-segment revenue	(61,041)	(470,096)	(98,152)	-	(629,289)
Total revenue	2,066,191	2,247,388	1,276,683	-	5,590,262
Operating costs	(2,016,645)	(1,724,289)	(1,264,885)	(425,000)	(5,430,819)
Operating profit/(loss)	49,546	523,099	11,798	(425,000)	159,443
Net finance costs	18	234	(3,430)	8,215	5,037
Profit/(loss) before taxation	49,564	523,333	8,368	(416,785)	164,480
Adjusted profit before taxation					
Profit/(loss) before taxation	49,564	523,333	8,368	(416,785)	164,480
IFRS-related discount charges	-	-	-	6,970	6,970
Amortisation of intangible assets	148,071	49,443	13,141	-	210,655
Share-based payment charges	-	-	-	45,158	45,158
Adjusted profit/(loss) before taxation	197,635	572,776	21,509	(364,657)	427,263
September 2012					
Statutory presentation					
Revenue	2,029,722	2,457,412	1,507,651	-	5,994,785
Inter-segment revenue	(5,073)	(394,014)	(63,226)	-	(462,313)
Total revenue	2,024,649	2,063,398	1,444,425	-	5,532,472
Operating costs	(2,099,167)	(1,664,293)	(1,239,197)	(383,634)	(5,386,291)
Operating profit/(loss)	(74,518)	399,105	205,228	(383,634)	146,181
Net finance costs	32	439	(368)	(14,693)	(14,590)
Profit/(loss) before taxation	(74,486)	399,544	204,860	(398,327)	131,591
Adjusted profit before taxation					

Profit/(loss) before taxation	(74,486)	399,544	204,860	(398,327)	131,591
IFRS-related discount charges	-	-	-	12,619	12,619
Fair value adjustments to financial derivatives	-	-	-	(454)	(454)
Amortisation of intangible assets	138,129	49,417	10,138	-	197,684
Share-based payment charges	-	-	-	33,825	33,825
Adjusted profit/(loss) before taxation	63,643	448,961	214,998	(352,337)	375,265

3. REVENUES

	6 months to 30 Sept 2013 £	6 months to 30 Sept 2012 £
UK	431,578	575,949
Germany	1,801,014	1,807,656
Rest of Europe	1,374,347	1,269,495
North America	212,381	186,775
South/Central America	354,234	262,665
Asia and Far East	700,936	666,652
Africa and Middle East	715,772	763,280
	5,590,262	5,532,472

4. FINANCE COSTS

	6 months to 30 Sept 2013 £	6 months to 30 Sept 2012 £
Interest payable on loans	3,506	4,142
Exchange difference on loans	-	927
Unwinding of discounts	6,970	12,619
Fair value adjustment to financial derivatives	-	(454)
Finance charges payable under finance leases	1,338	316
	11,814	17,550

5. TAX CREDIT

	6 months to 30 Sept 2013 £	6 months to 30 Sept 2012 £
Tax credit in the income statement		
Current tax - current year	-	-
Current tax - prior year adjustment	-	16,373
Deferred tax - current year	119,845	127,164
Deferred tax - prior year adjustment	(36,905)	61,028
	82,940	204,565

Tax relating to items charged or credited to other comprehensive income

Deferred tax on net exchange adjustments	5,552	-31,757
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	5,552	31,757
Reconciliation of total tax charge		
Factors affecting the tax charge for the period:		
Profit before tax	164,480	131,591
Effective rate of taxation	23%	24%
Profit before tax multiplied by the effective rate of tax	37,830	31,582
Effects of:		
Expenses not deductible for tax purposes and permanent differences	12,966	1,160
Research and development tax credits	(167,815)	(168,088)
Tax under / (over) provided in prior years	36,905	(77,401)
Adjustment due to different overseas tax rate	(2,826)	3,442
Impact of UK rate change on deferred tax	-	4,740
Tax credit for the period	(82,940)	(204,565)

The UK Government has announced that the main UK corporation tax rate will be reduced from the current rate of 23%, which has applied from 1 April 2013, to 20% via a 2% reduction at 1 April 2014 and a 1% reduction at 1 April 2015. The reductions in the corporation tax rates to 21% and 20% were included within the 2013 Finance Act that was enacted on 17 July 2013. At 30 September 2013 the changes in the corporation tax rate from 23% to 21% on 1 April 2014 and 21% to 20% on 1 April 2015 had been substantively enacted and therefore the deferred tax assets and liabilities included within these results have been calculated based on the reduced current UK corporation tax rate of 20% on the basis that this is the rate at which the majority of the deferred tax assets and liabilities are expected to reverse.

6. EARNINGS PER SHARE

	6 months to 30 Sept 2013	6 months to 30 Sept 2012
	£	£
Profit attributable to equity holders of the Group	247,420	336,156
	2013	2012
	Number	Number
Basic and diluted average number of shares	92,352,226	85,216,257
Share options	190,172	78,786
Diluted weighted average number of shares	92,542,398	85,295,043

The number of shares in issue at the period end was 108,745,669. Basic earnings per share are calculated by dividing profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year 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. Diluting events are excluded from the calculation when the average market price of ordinary shares is lower than the exercise price.

Adjusted Earnings per share on profit for the period

The Group presents adjusted earnings per share which is calculated by taking adjusted profit before taxation and adding the tax credit in order to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

	6 months to 30 Sept 2013	6 months to 30 Sept 2012
	£	£
Adjusted profit attributable to equity holders of the Group	510,203	579,830

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