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Nexus Infrastructure PLC
12 June 2020

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Nexus Infrastructure plc
("Nexus" or the "Group" or the "Company")

Interim results for the six months ended 31 March 2020

Nexus Infrastructure plc, a leading provider of essential infrastructure services, utilities connections and smart energy infrastructure, today announces its unaudited interim results for the six months ended 31 March 2020.

Mike Morris, Chief Executive of Nexus, commented:

"Nexus' operational and financial performance for the six months to 31 March 2020 was positive and in line with the Board's expectations. However, the arrival of the COVID-19 pandemic towards the end of H1 severely impacted activity levels across our business with housebuilding customers pausing work and closing down sites. As previously announced, the Board has taken numerous and immediate actions to conserve cash and maintain profitability, in order to mitigate against the impact of COVID-19.

"The fundamentals of the UK housing market remain very attractive. We believe that Nexus, with its sustainable business model, growth strategy and strong cash flow characteristics, will emerge from this crisis in a strong position and will be able to capitalise on opportunities to drive future outperformance and long-term value creation for shareholders."

Interim Results Highlights:

- Group revenue of £84.2m (H1 2019: £71.0m), an increase of 18.5% and in line with the Board's expectations
- Group operating profit of £3.5m (H1 2019: 2.9m), an increase of 19.6% reflecting a significant improvement in revenue and profits for Tamdown, and continued growth from TriConnex
- Strong balance sheet with a net cash position of £8.7m (H1 2019: £12.4m) with gross cash of £19.7m (H1 2019: £17.8m)
- Group net assets of £24.6m (H1 2019: £21.3m)

Response to COVID-19:

- Significant and immediate actions taken to mitigate the unprecedented impact of COVID-19
- Focus on ensuring the safety and well-being of all employees, customers and communities
- Furloughed 87% of the workforce in line with the Government's Job Retention Scheme
- Cut all non-essential capital expenditure, discretionary expenditures and implemented a recruitment freeze
- CEO has taken a 100% reduction in salary
- Non-Executive Directors, CFO and senior management have taken a reduction of up to 50% of their salary
- Fully drawn £5m revolving credit facility to maximise liquidity position
- Working with customers on appropriate social distancing measures and new health and safety site protocols

Outlook:

- Group order book remains strong at £300m (H1 2019: £311m) with a diverse range of work and customers. To date no orders have been cancelled due to COVID-19
- Particularly strong order book momentum within TriConnex. Since March TriConnex has continued to see good demand for essential utility services
- eSmart Networks has continued to deliver electric vehicle and smart energy infrastructure schemes, with record levels of new sales enquires in April and May
- Housebuilding customers are now returning to work, which is positive but general caution remains
- Return to work mobilisation challenges expected in the short-term as site activity starts to increase
- Longer-term, the Board believes Nexus will emerge from the COVID-19 crisis in a

better position with a strong balance sheet which will allow the Group to capitalise on opportunities and drive future outperformance.

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Notes to Editors:

Nexus is a leading provider of essential infrastructure services to the UK housebuilding and commercial sectors. The Group comprises: Tamdown, a provider of specialised civil engineering, infrastructure and concrete frame services; TriConnex which designs, installs and connects utility networks to properties on new residential and commercial developments; and eSmart Networks which focuses on electric vehicle charging and smart grid infrastructure.

Tamdown has a well-established market position having been in operation for over 40 years and currently counts amongst its customers the majority of the top ten largest UK housebuilders. TriConnex was established in 2011 to take advantage of deregulation in the utilities market with the goal of being recognised as the UK's leading independent provider of utility connections to new developments. eSmart Networks was set up in 2017 to respond to the UK's need for charging infrastructure as the transition to electric vehicles gathers pace alongside the need for smart energy solutions.

Business and Financial Review

The Group recorded revenue and operating profit growth ahead of the performance in H1 2019, despite the impact of COVID-19, which disrupted trading in March 2020.

Group revenue increased 18.5% to £84.2m (H1 2019: £71.0m), with Group operating profit increasing by 19.6% to £3.5m (H1 2019: £2.9m), reflecting a significant improvement in revenue and profits for Tamdown, with continued growth within TriConnex.

The Group's balance sheet remained strong with net assets of £24.6m at 31 March 2020 compared to £21.3m at 31 March 2019. Included within the net assets balance is cash and cash equivalents of £19.7m (31 March 2019: £17.8m) and net cash as at 31 March 2020 was £8.7m (31 March 2019: £12.4m).

Tamdown

Tamdown provides a range of specialised infrastructure and engineering services to the UK housebuilding sectors, with operations focused on the South East of England and London. Tamdown has an established market-leading position, with a reputation for providing quality services. The fundamental structural undersupply of the housing market and the Government's desire to open this sector of the economy as quickly as possible provides us with confidence that, despite short-term COVID-19 driven issues, our customers will continue to demand our services.

Tamdown's revenue during the period increased by 21.1% to £61.5m (H1 2019: £50.8m). The increase in revenue was as a result of Tamdown's strong opening order book and customers being keen to progress sites. However, trading in March 2020 started to be impacted by COVID-19, with many sites slowing down works and eventually closing. As a result, Tamdown took the difficult decision to furlough 98% of its staff in April given that all of Tamdown's sites were closed during this period.

Gross profit increased by 11.2% to £7.5m (H1 2019: £6.8m) with gross margins for the period at 12.3% (H1 2019: 13.3%) impacted by unproductive working and site closures during March 2020 as a result of COVID-19.

Operating profit increased by 47.6% to £2.7m (H1 2019: £1.8m), with operating margins increasing to 4.4% (H1 2019: 3.6%) due to tight overhead controls mitigating the decrease in gross margin.

The order book at 31 March 2020 was £114.9m (H1 2019: £145.0m). The decrease in the order book in the period was caused by customers being keen to progress with sites (with orders converting at a strong rate into revenue as services were delivered) and work winning being impacted by the uncertainty caused by the General Election in December 2019 and COVID-19 towards the end of the period.

Since the start of May, housebuilders have begun to reopen sites. We currently anticipate that all of Tamdown's sites will be active again during June 2020, though activity levels are expected to be far lower than pre-COVID-19 levels. We are continuing to work with our customers on appropriate social distancing and health and safety protocols on site to ensure the safety of staff whilst maximising working efficiency.

Whilst in the short-term Tamdown is likely to see a significant reduction in activity levels and revenues we remain confident in the longer-term prospects of the sector and the business.

TriConnex

TriConnex designs, installs and connects gas, electricity, water and fibre networks on new residential and commercial developments, with operations in the South East, Midlands and South West of England.

TriConnex's revenue during the period increased by 19.3% to £23.2m (H1 2019: 19.5m). Gross profit increased by 17.6% to £7.1m (H1 2019: 6.0m) with gross margins for the period at 30.6% (H1 2019: 31.0%)

Operating profit increased by 7.7% to £2.5m (H1 2019: £2.3m), with the operating margin declining to 10.6% (H1 2019: 11.7%) due to the slight decrease in gross margin and year-on-year investment in overhead to support revenue growth.

TriConnex continues to differentiate itself in the market through the provision of a full multi-utility service offering design through to connection, coupled with a deep focus on outstanding customer service. The business continues to be successful in securing orders, with the order book increasing by 11.9% year-on-year to £182.4m (H1 2019: £163.0m).

Activity on site since March 2020 has been affected by COVID-19 resulting in 74% of staff being furloughed. However, some customers remained active during April and May and TriConnex has continued to deliver its full range of services to these customers throughout the crisis. We anticipate that the majority of TriConnex's sites will be active by the end of June 2020.

Notwithstanding the effects of COVID-19, the fundamental market growth drivers for the business are positive which means that TriConnex is well positioned to continue delivering its growth trajectory over the medium and longer-term.

eSmart Networks

eSmart Networks was created to respond to the UK's need for charging infrastructure as the transition from internal combustion engine to electric vehicles (EV) gathers pace, alongside the need for smart energy solutions. eSmart Networks provides a quality end-to-end solution of design, installation and connection of EV charging infrastructure, battery storage, renewable energy connections and smart grid infrastructure, for a variety of customer types. The skills and capabilities within the business allow us to provide solutions for customers, with our ability to control the timescale and grid connection process resulting in accelerated installations for customers.

Revenue for the period totalled £1.1m (H1 2019: £0.7m), an increase of 46.7%. Gross margin in the period was 21.3% with gross profit of £0.2m (H1 2019: £0.2m). The business continued to invest in order to scale up in the period, resulting in an operating loss of £0.7m (H1 2019: £0.4m loss).

eSmart Networks' order book at 31 March 2020 was £2.2m (H1 2019: £3.0m). Despite the pandemic the business is seeing increased enquiry levels, with a record £8.4m of sales enquires being received in April 2020, demonstrating the high demand nature of the market.

We are confident that eSmart Networks is well placed to address this substantial growth market and continued careful investment is required to deliver on its stated growth ambitions.

Dividend

Given the uncertainty surrounding the remainder of our financial year, the Board considers it is prudent to suspend the payment of dividends until further notice. Accordingly, an interim dividend will not be paid (HY 2019: 2.2 p per share). The Group's dividend policy will be reviewed prior to the announcement of our Final Results in December 2020, and it is our intention to restart the payment of dividends as soon as it is responsible to do so.

Financial Overview

Income statement

Group revenue increased 18.5% to £84.2m (H1 2019: £71.0m), with revenue growth across all businesses.

Group gross profit increased by 14.6% to £14.9m (H1 2019: £13.0m), with an overall gross margin of 17.7% (H1 2019: 18.3%).

The Group's operating profit totalled £3.5m (H1 2019: £2.9m). Net finance costs totalled £0.1m (H1 2019: £0.1m) resulting in profit before tax of £3.4m (H1 2019: £2.8m).

The tax charge for the period was £0.8m (H1 2019: £1.1m) reflecting an effective rate of 24.2% (H1 2019: 37.9%).

The profit after tax for the period totalled £2.6m (H1 2019: £1.7m).

Basic earnings per share for the period was 6.70p (H1 2019: 4.56p).

Guidance on the Group's future performance remains withdrawn at this stage. The Company intends to reinstate guidance when there is more clarity on the economic outlook and trading environment.

Statement of financial position and Cash Flow

The Group's balance sheet remains strong with net assets standing at £24.6m at 31 March 2020 compared to £21.3m at 31 March 2019. Included within the net assets balance is cash and cash equivalents of £19.7m (31 March 2019: £17.8m), with net cash, adjusting for borrowings, totalling £8.7m (31 March 2019: £12.4m).

In line with the prior year, cash was utilised in the first half of the year, with operating activities utilising £8.7m (H1 2019: £4.3m). Dividends utilised £1.7m (H1 2019: £1.7m) and other financing activities, including the draw down and repayment of loans and leases, generated a net £2.0m in the first half (H1 2019: consumed £1.8m) resulting in closing cash and cash equivalents of £19.7m (this includes £5.0m from the Group's revolving credit facility which was fully drawn in March 2020 to maximise liquidity position).

Risks and Uncertainties

The Group is subject to a number of risks and uncertainties as part of its activities. The Board regularly considers these and seeks to ensure that appropriate processes are in place to identify, monitor, mitigate and control these risks. The Directors have reconsidered the principal risks and uncertainties facing the Group in light of the COVID-19 pandemic, particularly the risk of a market downturn and health and safety issues. The Directors believe that the principal risks and uncertainties remain those as outlined on pages 30 to 33 of the Report and Accounts for the year ended 30 September 2019.

Summary and Outlook

The results for the period under review demonstrate that the services of the Group are in high demand with our customers. Nexus serves a wide range of customers, including large and medium housing developers, affordable housing suppliers, local authorities and EV/renewable energy companies. Currently the Group works with 176 customers, 97 of which have been secured since the IPO in July 2017, which together with our robust Group order book of £300m provides us with confidence for the future.

While the COVID-19 pandemic, which affected the last few weeks of the period under review, has resulted in a dramatic change for the UK economy and our industry, we have a strong balance sheet which will allow management to run the business for longer-term growth.

The Board believes that Nexus, with its sustainable business model, growth strategy, strong cash flow characteristics and experienced management team, will emerge from this crisis significantly stronger and will be able to capitalise on opportunities to drive future outperformance.

Mike Morris

Chief Executive Officer

Condensed consolidated statement of comprehensive income

For the six months to 31 March 2020

	Note	Unaudited Six months to 31 March 2020 £'000	Unaudited Six months to 31 March 2019 £'000	Audited Year ended 30 September 2019 £'000
Revenue	2	84,194	71,022	155,103
Cost of sales		(69,310)	(58,035)	(127,178)
Gross profit		14,884	12,987	27,925
Administrative expenses		(11,374)	(10,053)	(21,940)
Operating profit		3,510	2,934	5,985
Finance income		32	26	59
Finance expense		(173)	(159)	(339)
Profit before taxation		3,369	2,801	5,705
Taxation	4	(815)	(1,061)	(1,530)
Profit and total comprehensive income for the period attributable to equity holders of the parent		**2,554**	**1,740**	**4,175**
Earnings per share (p per share)				
Basic	6	6.70	4.56	10.95
Diluted	6	6.44	4.35	10.63

Condensed consolidated statement of financial position at 31 March 2020

	Note	Unaudited Six months to 31 March 2020 £'000	Unaudited Six months to 31 March 2019 £'000	Audited Year ended 30 September 2019 £'000
Non-current assets				
Property, plant and equipment		8,882	9,417	6,992
Right of use assets		3,811	1,724	4,845
Goodwill		2,361	2,361	2,361
Other investments		43	43	43
Deferred tax asset		-	7	-
Total non-current assets		15,097	13,552	14,241
Current assets				
Inventories		658	5,648	378
Trade and other receivables		46,524	34,149	40,922
Contract assets		18,093	12,353	11,986
Corporation tax asset		32	-	-
Cash and cash equivalents		19,653	17,836	27,366
Total current assets		84,960	69,986	80,652
Total assets		100,057	83,538	94,893
Current liabilities				
Borrowings	7	3,900	2,000	2,000
Trade and other payables		34,432	29,902	39,392
Contract liabilities		25,824	21,024	22,572
Lease liabilities		1,322	1,624	1,461
Corporation tax liability		-	702	164
Total current liabilities		65,478	55,252	65,589
Non-current liabilities				
Borrowings	7	7,103	3,400	2,745

Lease liabilities	2,701	3,539	3,136
Deferred tax liabilities	152	-	152
Total non-current liabilities	9,956	6,939	6,033
Total liabilities	75,434	62,191	71,622
Net assets	**24,623**	**21,347**	**23,271**
Equity attributable to equity holders of the Company			
Share capital	762	762	762
Retained earnings	23,861	20,585	22,509
Total equity	**24,623**	**21,347**	**23,271**

Condensed consolidated statement of changes in equity
For the six months to 31 March 2020

	Share capital	**Retained earnings**	**Total**
	£'000	**£'000**	**£'000**
Equity at 1 October 2018 (Audited)	762	21,049	21,811
Transactions with owners			
Dividend paid	-	(1,677)	(1,677)
Share-based payments		260	260
	-	(1,417)	(1,417)
Total comprehensive income			
Profit and total comprehensive income for the period	-	1,740	1,740
Opening IFRS 15 adjustment	-	(787)	(787)
	-	953	953
Equity at 31 March 2019 (Unaudited)	762	20,585	21,347
Transaction with owners			
Dividend paid	-	(838)	(838)
Share-based payments	-	327	327
	-	(511)	(511)
Total comprehensive income			
Profit and total comprehensive income for the period	-	2,435	2,435
	-	2,435	2,435
Equity at 30 September 2019 (Audited)	762	22,509	23,271
Transaction with owners			
Dividend paid	-	(1,677)	(1,677)
Share-based payments	-	475	475
	-	(1,202)	(1,202)
Total comprehensive income			
Profit and total comprehensive income for the period	-	2,554	2,554
	-	2,554	2,554
Equity at 31 March 2020 (Unaudited)	762	23,861	24,623

Condensed consolidated statement of cash flows
For the six months to 31 March 2020

	Unaudited Six months to 31 March 2020 £'000	**Unaudited Six months to 31 March 2019 £'000**	**Audited Year ended 30 September 2019 £'000**
Cash flow from operating activities			
Profit before tax	3,369	2,801	5,705
Adjusted by:			
Loss/(profit) on disposal of plant and equipment - owned	60	(62)	(40)

Loss on disposal of plant and equipment - right of use	-	-	6
Share-based payments	475	261	587
Finance expense (net)	141	133	280
Depreciation of property, plant and equipment - owned	430	986	686
Depreciation of property, plant and equipment - right of use	597	-	1,504
Operating profit before working capital charges	5,072	4,119	8,728
Working capital adjustments:			
Increase in trade and other receivables	(11,709)	(4,992)	(8,111)
Increase in inventories	(280)	(2,331)	(349)
(Decrease)/increase in trade and other payables	(1,760)	(1,115)	9,927
Cash (used in)/generated from operating activities	(8,677)	(4,319)	10,195
Interest paid	(121)	(159)	(339)
Taxation paid	(1,011)	(819)	(1,667)
Net cash flows (used in)/generated from operating activities	(9,809)	(5,297)	8,189
Cash flow from investing activities			
Purchase of property, plant and equipment - owned	(2,107)	(562)	(2,071)
Proceeds from disposal of property, plant and equipment - owned	463	702	665
Proceeds from disposal of property, plant and equipment - right of use	-	-	50
Proceeds from the disposal of assets measured at FVOCI	-	4	4
Interest received	32	26	59
Net cash (used in)/generated from investing activities	(1,612)	170	(1,293)
Cash flow from financing activities			
Dividend payment	(1,677)	(1,677)	(2,515)
Drawdown of term loan	6,758	-	345
Repayment of loans	(500)	(1,000)	(2,000)
Principal elements of lease repayments	(873)	(774)	(1,774)
Net cash generated from/(used in) financing activities	3,708	(3,451)	(5,944)
Net change in cash and cash equivalents	(7,713)	(8,578)	952
Cash and cash equivalents at the beginning of the period	27,366	26,414	26,414
Cash and cash equivalents at the end of the period	**19,653**	**17,836**	**27,366**

Notes to the condensed consolidated financial statements
For the six months to 31 March 2020

1. Basis of preparation and accounting policies

The interim report of the Group for the six months ended 31 March 2020 has been prepared in accordance with IAS 34 "Interim Financial Reporting" and International Financial Reporting Standards ("IFRS") as adopted for use in the European Union ("EU") and in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority.

The interim report does not constitute financial statements as defined in Section 434 of the Companies Act 2006 and is neither audited nor reviewed. It should be read in conjunction with the Report and Accounts for the year ended 30 September 2019, which is available on request from the Group's registered office, 1 Tamdown Way, Braintree, Essex, CM7 2QL, or can be downloaded from the website www.nexus-infrastructure.com.

The comparative information for the financial year ended 30 September 2019 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters which the auditor drew attention by the way of emphasis without qualifying their report and (iii) did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

The interim report has been prepared on the basis of the accounting policies as set out in the Report and Accounts for the year ended 30 September 2019.

In preparing this interim report, the significant estimates and judgements made by the Directors in applying the Group's accounting policies and financial risk management objectives, were the same as those set out in the Report and Accounts for the year ended 30 September 2019.

Going concern

In determining the appropriate basis of preparation of the interim report, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future. The Directors have prepared detailed forecasts for a range of different scenarios, mindful of the uncertainty in the market due to the impact of COVID-19. The Group is maintaining a strong relationship with its bankers and has agreed alternative covenants on committed banking facilities. The forecasts show the Group continues to have a robust balance sheet and significant financial headroom on these facilities. Accordingly, the Directors are comfortable that there is sufficient cash liquidity and covenant headroom within the banking facilities; therefore, they continue to adopt the going concern basis in preparing the interim report.

Notes to the condensed consolidated financial statements (continued)
For the six months to 31 March 2020

2. Revenue

Revenues from external customers are generated from the supply of services relating to construction contracts, design, installation and connection of utility networks and electric vehicle and smart grid infrastructure. Revenue is recognised over time in the following operating divisions.

	Unaudited 31 March 2020			
	Tamdown	**TriConnex**	**eSmart Networks**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Segment revenue	61,479	23,248	1,093	85,820
Inter-segment revenue	(1,626)	-	-	(1,626)
Revenue from external customers	**59,853**	**23,248**	**1,093**	**84,194**
Timing of revenue recognition				
Over time	**59,853**	**23,248**	**1,093**	**84,194**
Customer type				
Residential	58,657	23,248	-	81,905
Non-residential	1,196	-	1,093	2,289
	59,853	**23,248**	**1,093**	**84,194**

	Unaudited 31 March 2019			
	Tamdown	**TriConnex**	**eSmart Networks**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Segment revenue	50,783	19,494	745	71,022
Inter-segment revenue	-	-	-	-
Revenue from external customers	**50,783**	**19,494**	**745**	**71,022**
Timing of revenue recognition				
Over time	**50,783**	**19,494**	**745**	**71,022**
Customer type				
Residential	50,663	19,494	-	70,157
Non-residential	120	-	745	865
	50,783	**19,494**	**745**	**71,022**

	Audited 30 September 2019			
	Tamdown	**TriConnex**	**eSmart Networks**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Segment revenue	112,228	41,798	2,108	156,134
Inter-segment revenue	(1,031)	-	-	(1,031)
Revenue from external customers	**111,197**	**41,798**	**2,108**	**155,103**
Timing of revenue recognition				
Over time	**111,197**	**41,798**	**2,108**	**155,103**
Customer type				
Residential	110,615	41,798	-	152,413
Non-residential	582	-	2,108	2,690
	111,197	**41,798**	**2,108**	**155,103**

Inter-segment revenues are earned on an arm's length basis.

Notes to the condensed consolidated financial statements (continued)
For the six months to 31 March 2020

3. Segmental analysis

The Group is organised into the following three operating divisions under the control of the Executive Board, which is identified as the Chief Operating Decision Maker as defined under IFRS 8: Operating Segments:

- Tamdown;
- TriConnex; and
- eSmart Networks

All of the Groups operations are carried out entirely within the UK.

Segment information about the Group's operations is presented below:

	Unaudited Six months to 31 March 2020 £'000	**Unaudited Six months to 31 March 2019 £'000**	**Audited Year ended 30 September 2019 £'000**
Revenue			
Tamdown	61,479	50,783	112,228
TriConnex	23,248	19,494	41,798
eSmart Networks	1,093	745	2,108
Inter-company trading	(1,626)	-	(1,031)
Total revenue	84,194	71,022	155,103
Gross profit			
Tamdown	7,540	6,778	14,547
TriConnex	7,111	6,045	12,885
eSmart Networks	233	164	493
Total gross profit	14,884	12,987	27,925
Operating profit			
Tamdown	2,715	1,840	4,033
TriConnex	2,456	2,280	4,319
eSmart Networks	(707)	(364)	(621)
Group administrative expenses	(954)	(822)	(1,746)
Total operating profit	3,510	2,934	5,985
Net finance cost	(141)	(133)	(280)
Profit before tax	3,369	2,801	5,705
Taxation	(815)	(1,061)	(1,530)
Profit and total comprehensive income for the period	**2,554**	**1,740**	**4,175**

Notes to the condensed consolidated financial statements (continued)
For the six months to 31 March 2020

3. Segmental analysis (continued)

Statement of financial position analysis of business segments:

	Unaudited 31 March 2020		
	Assets £,000	**Liabilities £'000**	**Net Assets £'000**
Tamdown	46,465	30,853	15,612
TriConnex	23,567	31,276	(7,709)
eSmart Networks	761	966	(205)
Group	9,611	12,339	(2,728)
Net Cash	19,653	-	19,653
	100,057	75,434	24,623

	Unaudited 31 March 2019		
	Assets £,000	**Liabilities £'000**	**Net Assets £'000**
Tamdown	38,458	27,475	10,983
TriConnex	20,833	28,740	(7,907)
eSmart Networks	37	43	(6)
Group	6,374	5,933	441
Net Cash	17,836	-	17,836
	83,538	62,191	21,347

	Audited 30 September 2019		
	Assets £,000	**Liabilities £'000**	**Net Assets £'000**
Tamdown	38,931	35,674	3,257
TriConnex	20,576	29,849	(9,273)
eSmart Networks	828	542	286
Group	7,609	5,974	1,635
Net Cash	27,366	-	27,366
	95,310	72,039	23,271

4. Taxation

Taxation is recognised based on management's estimate of the weighted average effective annual tax rate expected for the full financial year. The estimated effective annual tax rate applied to the pre-tax income for the six months ended 31 March 2020 is 24.2%.

5. Dividends

	Unaudited Six months to 31 March 2020 £'000	**Unaudited Six months to 31 March 2019 £'000**	**Audited Year ended 30 September 2019 £'000**
Amounts recognised as distributions to equity holders:			
Final dividend for the year ended 30 September 2018 of 4.4p per share	-	1,677	1,677
Interim dividend for the year ended 30 September 2019 of 2.2p per share	-	-	838
Final dividend for the year ended 30 September 2019 of 4.4p per share	1,677	-	-
	1,677	**1,677**	**2,515**

Notes to the condensed consolidated financial statements (continued)
For the six months to 31 March 2020

6. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of shares in issue for the period.

Diluted earnings per share is calculated by adjusting the weighted average number of shares in issue for the period to assume conversion of all dilutive potential shares.

The calculation of the basic and diluted earnings per share is based on the following data:

	Unaudited Six months to 31 March 2020 £'000	**Unaudited Six months to 31 March 2019 £'000**	**Audited Year ended 30 September 2019 £'000**
Profit for the period attributable to equity shareholders	2,554	1,740	4,175
Weighted average number of shares in issue for the period	38,117,850	38,117,850	38,117,850
Effect of dilutive potential ordinary shares:			
Share options	1,532,552	1,923,418	1,170,294
Weighted average number of shares for the purpose of diluted earnings per share	39,650,402	40,041,268	39,288,144
Basic earnings per share (p per share)	6.70	4.56	10.95
Diluted earnings per share (p per share)	6.44	4.35	10.63

7. Borrowings

	Unaudited Six months to 31 March 2020 £'000	**Unaudited Six months to 31 March 2019 £'000**	**Audited Year ended 30 September 2019 £'000**

Current	3,900	2,000	2,000
Non-current	7,103	3,400	2,745

The Company entered into a £12.0m five-year facility with Allied Irish Bank in December 2015. The loan is secured over the whole of the Company's undertaking and assets and by way of cross guarantee from other Group undertakings. The loan carries interest at LIBOR plus 2.25% and is repayable in instalments of £2.0m per annum with a termination payment in October 2020.

The Company entered into a £10.0m ten-year term facility and £5.0m five-year revolving credit facility with an accordion facility extension of £5.0m with Allied Irish Bank in August 2019. The loan is secured over the whole of the Company's undertakings and assets and by way of cross guarantee from other Group undertakings. The loan carried interest at LIBOR plus up to 2.20% and is repayable in instalments of £750,000 per annum.

8. Related party transactions

There have been no significant changes in the nature and amount of related party transactions since the last Report and Accounts as at, and for the year ended 30 September 2019.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated in full on consolidation.

Notes to the condensed consolidated financial statements (continued)
For the six months to 31 March 2020

Statement of Directors' responsibilities

The Directors confirm that, to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union; and
- the interim management report includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- the interim management report includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual Report and Accounts that could do so.

Signed on 11 June 2020 on behalf of the Board

Mike Morris
Chief Executive Officer

Alan Martin
Chief Financial Officer

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