

**03 September 2014**

**Biome Technologies plc**  
**(“Biome”, “the Company” or “the Group”)**

**Interim Results**

Biome Technologies plc announces its Interim Results for the six months ended 30 June 2014.

**Highlights**

- Group revenues £2.3m (H1 2013: £0.9m)
- Loss before interest, depreciation, amortisation, and non-recurring property costs of £0.3m (H1 2013: loss of £0.6m)
- Cash position of £3.1m
- Declan Brown was reappointed as Group Finance Director on 23 April 2014.
- Two key bioplastics projects for coffee capsules and single use food service products are progressing well
- Increased activity levels being seen across the Stanelco RF product range including fibre optic furnaces
- Contract secured with a substantive customer from a regulated industry sector in the UK based on the division’s induction heating technology

Paul Mines, Chief Executive Officer said:

“The Group has enjoyed a much improved first half. It is especially pleasing that the significant revenue improvement has been driven by both divisions, with Biome Bioplastics and Stanelco RF delivering first half revenues ahead of the 2013 full year results.

RF Technologies order pipeline remains strong into 2015 and, in Bioplastics, repeat volumes for the commercialised products are expected albeit the rate is likely to be limited in the short term by de-stocking in the supply chain ahead of further product launches. The cash position remains robust providing the resources to deliver on the Group’s strategy.”

**- Ends -**

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## **Chairman's Statement**

The Group has delivered a strong set of results for the first half of 2014 with a 166% increase in Group revenues compared with the first half of 2013 and a reduction of the Group loss to £0.6m.

Pleasingly, this performance improvement was driven by revenue growth in both the Biome Bioplastics and Stanelco RF Technologies divisions exceeding those achieved in the full year of 2013. These increased revenues saw a narrowing of the operating loss to £0.1m in Bioplastics whilst RF Technologies returned to profitability.

### **Group Results**

Group revenues were £2.3m compared to £0.9m in the first half of 2013. Gross profit of £0.8m was substantially ahead of the first half of 2013 (£0.4m). Gross margins, at 35%, were down against the prior year period of 41% due to the increased weighting of sales in the Bioplastics division.

Recurring administrative expenses, excluding the effects of share option charges and exceptional items, were £1.3m compared to £1.2m in the first half of 2013 despite the substantial lift in activity levels.

The loss before interest, depreciation, amortisation and share option effects for the six months to 30 June 2014 was £0.3m compared to a loss of £0.6m (before exceptional items and non-recurring property costs) in the first half of 2013. The loss after taxation was £0.6m (H1 2013: loss £1.6m) equating to a loss per share of 27 pence (restated H1 2013 loss per share 68 pence).

Net decrease in cash and cash equivalents in the period was £0.2m which includes operating cash usage of £0.3m and £0.2m expenditure on research and development, offset by a reduction in working capital of £0.3m. The Group's cash position at 30 June 2014 was £3.1m.

### **Bioplastics Division**

Revenues in the Bioplastics division were £1.2m (H1 2013: £0.3m) which is already in excess of the £1.0m full year 2013 revenue. This growth principally reflects the increased volumes being sold in the period for use in the US single-serve coffee market, amongst other applications.

The division continues with its strategy of focussing on the commercialisation and development of its own intellectual property. Two key projects, described previously as the single use coffee capsules and single use food service products, are progressing well.

The capsules project is now firmly in the commercialisation phase and the division is receiving repeated and increasing orders. Substitution of Biome's products into a broader range of final products in different form-factors is being evaluated and this may reduce immediate demand as existing product lines are de-stocked in advance of further growth.

The food service project continues in more advanced stages of pre-market testing with the main European suppliers to the industry.

Significant further development work was undertaken on the coating and lamination grade material Biome EasyFlow. Early and encouraging trials on the performance of this grade have taken place with a number of potential customers.

In 2013 the division announced the award of a £150,000 grant by the Government backed Technology Strategy Board (TSB) to investigate the feasibility of using a bacterially derived bio-based alternative to the oil derived chemicals used in the manufacture of bioplastics. Biome partnered with the University of Warwick for this feasibility study which was completed successfully during the first half of 2014 demonstrating interesting yields of the target products. The next phase of the project (being undertaken with Warwick as part of a KTP grant) will examine how the yields can be increased and explore options for further scale-up of this technology. The opportunity for further grant funding to accelerate the development of this technology is being explored.

### **Stanelco RF Technologies Division**

Revenues in the RF Technologies division were £1.2m (H1 2013: £0.6m), which exceeded the £1.0m revenues achieved in the full year 2013 and resulted in a positive contribution from this division of £248k in the first half.

Increased activity levels were seen across the product range including fibre optic furnaces. The revenues in this latter sector are benefitting from development work undertaken by the division to produce a new furnace design with substantial energy savings over previous models.

Further progress has been achieved on the Durapipe project with the development contract, increased from its original scope, now completed. An order for ten pre-production units has been received for delivery of equipment in the second half of 2014.

In March 2014, the division announced the signing of a contract with a substantive customer from a regulated industry sector in the UK to supply advanced analytical equipment based on the division's induction heating technology. This contract is expected to generate revenues of over £1.5m over a two year period and receipts of approximately one quarter of contract value were received during the first half of 2014.

Revenues in the second half are likely to be below first half levels due to the phasing of deliveries, however, enquiry and order levels in this division continue to be encouraging into 2015.

### **Board Appointment**

Given the current developments of the Group, highlighted above, and the anticipated growth profile, Declan Brown was reappointed as Group Finance Director on 23 April 2014.

### **EMI Scheme**

On 6 May 2014 the Company announced a new EMI share option scheme that ensures continued alignment of the performance targets of the Company's senior management and those of its shareholders. Under the terms of this scheme, share options vest to the beneficiaries only upon certain share prices being attained on 4 October 2016 and 4 October 2017. The existing PEP scheme, including all of its awards, was cancelled.

Under IFRS 2 the cancellation of the PEP scheme requires a charge to the consolidated statement of income equal to the amount that would have been taken to the point of vesting in October 2014 of £0.1m. A transfer of £0.4m between the share option reserve and retained profits reflects the cancellation of the scheme.

### **Outlook**

The Group's performance in the first half of the year has been particularly encouraging. The Board's confidence in the outcome for the year is supported by this good result together with the revenue outlook for the second half.

RF Technologies' order pipeline remains strong into 2015 and, in Bioplastics, repeat volumes for the commercialised products are expected albeit the rate is likely to be limited in the short term by de-stocking in the supply chain ahead of further product launches. The cash position remains robust providing the resources to deliver on the Group's strategy.

The Board is confident of meeting its expectations for the year and building value for shareholders over the next few important years in the Group's development.

### **John Standen**

Chairman

**CONSOLIDATED STATEMENT  
OF COMPREHENSIVE INCOME**  
For the period ended 30 June 2014

	Note	Total for 6 Months ended 30 June 2014 Unaudited £'000	Total for 6 Months Ended 30 June 2013 Unaudited £'000	Total Year ended 31 December 2013 Audited £'000
<b>REVENUE</b>	<b>5a – 5c</b>	<b>2,344</b>	<b>881</b>	<b>1,977</b>
Cost of sales		(1,522)	(517)	(1,200)
<b>GROSS PROFIT</b>		<b>822</b>	<b>364</b>	<b>777</b>
Administrative expenses – recurring items		(1,432)	(1,193)	(2,465)
Administrative expenses – exceptional items	6	-	(857)	(900)
<b>LOSS FROM OPERATIONS</b>	<b>5a – 5c, 6</b>	<b>(610)</b>	<b>(1,686)</b>	<b>(2,588)</b>
Loss from operations before exceptional items & share options charges		(512)	(841)	(1,594)
Share options income/(charges)	7	(98)	12	(94)
Exceptional items	6	-	(857)	(900)
Investment revenue		6	13	21
Foreign exchange (loss)/gain		(20)	29	(24)
<b>LOSS BEFORE TAXATION</b>		<b>(624)</b>	<b>(1,644)</b>	<b>(2,591)</b>
Taxation	8	-	-	46
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT</b>		<b>(624)</b>	<b>(1,644)</b>	<b>(2,545)</b>
Basic and diluted loss per share - pence	9	(27)	(68)	(107)

**CONSOLIDATED STATEMENT  
OF FINANCIAL POSITION**  
As at 30 June 2014

		At 30 June 2014 Unaudited £'000	At 30 June 2013 Unaudited £'000	At 31 December 2013 Audited £'000
	Note			
<b>NON-CURRENT ASSETS</b>				
Other intangible assets	10	1,221	1,204	1,196
Property, plant and equipment	11	276	292	269
		<u>1,497</u>	<u>1,496</u>	<u>1,465</u>
<b>CURRENT ASSETS</b>				
Inventories	12	792	581	641
Trade and other receivables	13	1,164	1,023	880
Cash and cash equivalents		3,096	3,949	3,311
		<u>5,052</u>	<u>5,553</u>	<u>4,832</u>
<b>TOTAL ASSETS</b>		<u><u>6,549</u></u>	<u><u>7,049</u></u>	<u><u>6,297</u></u>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	14	1,442	558	664
		<u>1,442</u>	<u>558</u>	<u>664</u>
<b>TOTAL LIABILITIES</b>		<u><u>1,442</u></u>	<u><u>558</u></u>	<u><u>664</u></u>
<b>NET ASSETS</b>		<u><u>5,107</u></u>	<u><u>6,491</u></u>	<u><u>5,633</u></u>
<b>EQUITY</b>				
Share capital	15	117	5,898	117
Share premium account	15	740	38,623	740
Capital redemption reserve		4	-	4
Share options reserve		521	954	797
Translation reserve		(85)	(85)	(85)
Retained profits/(losses)		3,810	(38,899)	4,060
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT AND TOTAL EQUITY</b>		<u><u>5,107</u></u>	<u><u>6,491</u></u>	<u><u>5,633</u></u>

The interim statements were approved by the Board on 2 September 2014.

Signed on behalf of the Board of Directors

Paul R Mines (Chief Executive)  
Declan L Brown (Group Finance Director)  
2 September 2014

**CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY**

As at 30 June 2014

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share options reserve £'000	Translation reserve £'000	Retained earnings £'000	TOTAL EQUITY £'000
<b>Unaudited</b>							
<b>Balance at 1 January 2014</b>	117	740	4	797	(85)	4,060	5,633
Share options issued in share based payments	-	-	-	98	-	-	98
Cancellation of share scheme	-	-	-	(374)	-	374	-
<b>Transactions with owners</b>	-	-	-	(276)	-	374	98
Loss for the period	-	-	-	-	-	(624)	(624)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(624)	(624)
<b>Balance 30 June 2014</b>	117	740	4	521	(85)	3,810	5,107
<b>Unaudited</b>							
<b>Balance at 1 January 2013</b>	5,885	38,623	-	966	(85)	(37,255)	8,134
Share options issued in share based payments	-	-	-	(12)	-	-	(12)
Issue of share capital	13	-	-	-	-	-	13
<b>Transactions with owners</b>	13	-	-	(12)	-	-	1
Loss for the period	-	-	-	-	-	(1,644)	(1,644)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(1,644)	(1,644)
<b>Balance 30 June 2013</b>	5,898	38,623	-	954	(85)	(38,899)	6,491

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Share options reserve £'000	Translation reserves £'000	Retained earnings £'000	TOTAL EQUITY £'000
<b>Audited</b>							
<b>Balance at 1 January 2013</b>	5,885	38,623	-	966	(85)	(37,255)	8,134
Share options issued in share based payments	-	-	-	(169)	-	263	94
Issue of share capital	5,911	12	-	-	-	-	5,923
Cancellation of share capital	(11,679)	-	4	-	-	5,702	(5,973)
Cancellation of share premium account	-	(37,895)	-	-	-	37,895	-
<b>Transactions with owners</b>	(5,768)	(37,883)	4	(169)	-	43,860	44
Loss for the year	-	-	-	-	-	(2,545)	(2,545)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(2,545)	(2,545)
<b>Balance 31 December 2013</b>	117	740	4	797	(85)	4,060	5,633

**CONSOLIDATED STATEMENT  
OF CASH FLOWS**  
For the period ended 30 June 2014

	6 Months ended 30 June 2014 Unaudited £'000	6 Months Ended 30 June 2013 Unaudited £'000	Year ended 31 December 2013 Audited £'000
Loss from operations	(610)	(1,686)	(2,588)
Adjustment for:			
Amortisation and impairment of intangible assets	137	128	266
Depreciation of property, plant and equipment	33	30	60
Share based payments	98	1	94
Foreign exchange	(12)	28	(24)
Operating cash flows before movement of working capital	(354)	(1,499)	(2,192)
(Increase)/decrease in inventories	(151)	(213)	(272)
(Increase)/decrease in receivables	(291)	107	248
Increase/(decrease) in payables	777	(595)	(489)
Cash utilised in operations	(19)	(2,200)	(2,705)
Corporation tax (paid)/received	-	-	46
<b>Net cash outflow from operating activities</b>	<b>(19)</b>	<b>(2,200)</b>	<b>(2,659)</b>
<b>Cash flows from investing activities</b>			
Interest received	6	13	21
Investment in intangible assets	(162)	(119)	(249)
Purchase of property, plant and equipment	(40)	(20)	(27)
<b>Net cash used in investing activities</b>	<b>(196)</b>	<b>(126)</b>	<b>(255)</b>
<b>Financing activities</b>			
Proceeds from issue of ordinary shares	-	-	37
Buyback of ordinary shares	-	-	(87)
<b>Net cash outflow from financing activities</b>	<b>-</b>	<b>-</b>	<b>(50)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(215)</b>	<b>(2,326)</b>	<b>(2,964)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>3,311</b>	<b>6,275</b>	<b>6,275</b>
<b>Cash and cash equivalents at end of period</b>	<b>3,096</b>	<b>3,949</b>	<b>3,311</b>

## **NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the period ended 30 June 2014

### **1. CORPORATE INFORMATION**

The financial information for the year ended 31 December 2013 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2013 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498 of the Companies Act 2006. The interim results are unaudited. Biome Technologies plc is a public limited company incorporated and domiciled in England & Wales. The company's shares are publicly traded on the AIM market of the London Stock Exchange.

### **2. BASIS OF PREPARATION**

These interim consolidated financial statements (the interim financial statements) are for the six months ended 30 June 2014. They have been prepared in accordance with IFRSs as adopted by the European Union and IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2013.

These interim financial statements have been prepared under the historical cost convention.

These interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2013.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of the interim financial statements.

### **3. BASIS OF CONSOLIDATION**

The Group interim financial statements consolidate the results of the Company and all of its subsidiary undertakings drawn up to 30 June 2014. At 30 June 2014 the subsidiary undertakings were Biome Bioplastics Limited, Stanelco RF Technologies Limited, Aquasol Limited and InGel Technologies Limited.

### **4. GOING CONCERN**

The directors have reviewed forecasts and budgets for the coming 12 months, which have been drawn up with appropriate regard for the current macroeconomic environment and the particular circumstances in which the Group operates. As a result of this process, the directors are satisfied that the group have sufficient resources to continue in operational existence for at least one year from the date of approval of the interim report.

## 5a. SEGMENTAL INFORMATION FOR 6 MONTHS ENDED 30 JUNE 2014

	Bioplastics 6 Months Ended 30 June 2014 £'000	RF Technologies 6 Months ended 30 June 2014 £'000	Central Costs 6 Months ended 30 June 2014 £'000	Total 6 Months ended 30 June 2014 £'000
Unaudited Revenue from external customers – continuing operations	1,170	1,174	-	2,344
<b>(LOSS)/PROFIT FROM OPERATIONS</b>	<b>(135)</b>	<b>248</b>	<b>(723)</b>	<b>(610)</b>
Investment revenue				6
Foreign exchange loss				(20)
<b>LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS</b>				<b>(624)</b>
<b>TOTAL ASSETS</b>	<b>1,976</b>	<b>1,226</b>	<b>3,347</b>	<b>6,549</b>

## 5b. SEGMENTAL INFORMATION FOR 6 MONTHS ENDED 30 JUNE 2013

	Bioplastics 6 Months ended 30 June 2013 £'000	RF Technologies 6 Months ended 30 June 2013 £'000	Central Costs 6 Months ended 30 June 2013 £'000	Total 6 Months ended 30 June 2013 £'000
Unaudited Revenue from external customers	312	569	-	881
<b>SEGMENT RESULT</b>	<b>(215)</b>	<b>(5)</b>	<b>(495)</b>	<b>(715)</b>
Costs relating to surrender buildings and capital reduction and share consolidation costs				(114)
Exceptional items				(857)
<b>(LOSS)/PROFIT FROM OPERATIONS</b>				<b>(1,686)</b>
Investment revenue				13
Foreign exchange gain				29
<b>LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS</b>				<b>(1,644)</b>
<b>TOTAL ASSETS</b>	<b>1,711</b>	<b>985</b>	<b>4,353</b>	<b>7,049</b>

## 5c. SEGMENTAL INFORMATION FOR YEAR ENDED 31 DECEMBER 2013

	Bioplastics Year ended 31 December 2013 £'000	RF Technologies Year ended 31 December 2013 £'000	Central Costs Year ended 31 December 2013 £'000	Total Year ended 31 December 2013 £'000
<b>Audited</b>				
Revenue from external customers	958	1,019	-	1,977
<b>SEGMENT RESULT</b>	<b>(372)</b>	<b>(81)</b>	<b>(1,235)</b>	<b>(1,688)</b>
Costs relating to lease surrender on buildings, capital reduction and share consolidation costs				(900)
<b>(LOSS)/PROFIT FROM CONTINUING OPERATIONS</b>				<b>(2,588)</b>
Investment revenue				21
Finance charges				-
Foreign exchange gain				(24)
<b>LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS</b>				<b>(2,591)</b>
Taxation				46
<b>LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS</b>				<b>(2,545)</b>
<b>TOTAL ASSETS</b>	<b>1,844</b>	<b>1,030</b>	<b>3,423</b>	<b>6,297</b>

## 6. EXCEPTIONAL ITEMS

During the year ended 31 December 2013 the company entered an agreement to surrender the leases on two buildings that were surplus to its operational requirements and also effected a capital reduction and consolidation of its ordinary shares of 0.1p into new ordinary shares of 5p. The costs associated with these projects are distinct from the normal trading of the company and have therefore been classified as exceptional items. A summary of these costs is outlined as follows:

<b>Exceptional items</b>	<b>Total for 6 months ended 30 June 2013 £'000</b>	<b>Total for 12 months ended 31 December 2013 £'000</b>
Lease surrender fee	895	895
Prepaid rent and service charges	30	30
Legal and professional fees	35	35
	- property transaction	
	- capital reduction and share consolidation	125
Bad debt provision on rental income	37	37
Reversal of property lease provision	(222)	(222)
<b>Total exceptional items</b>	<b>857</b>	<b>900</b>

## 7. SHARE OPTIONS

On 6 May 2014 the Company announced the issue of share options under a new EMI Share Option Plan (2014 EMI) and the cancellation of the existing 2010 PEP scheme. For the six months to 30 June 2014 this resulted in a net charge of £98,000 (a charge of £19,000 for the 2014 EMI and an accelerated charge of £79,000 for the cancellation of the 2010 PEP scheme). A transfer of £374,000 between the share option reserve and retained profits reflects the cancellation of the scheme.

## **8. TAXATION**

The Group's policy is to recognise tax credits resulting from tax R&D claims on a cash received basis. The claim in respect of the year ended 31 December 2013 has not yet been settled and there is therefore no tax credit recognised in the period under review.

## **9. EARNINGS PER SHARE**

On 16 July 2013 the Company completed a share consolidation converting its 5,897,880,000 ordinary shares of £0.001 into 2,427,732 ordinary shares of £0.05. To enable a like-for-like comparison the average shares used for the 2013 comparative have been restated as though the share consolidation had been completed on 1 January 2013.

The calculation of earnings per share is based on the loss attributable to the equity holders of the parent for the six months of £624,000 (2013: loss of £1,644,000) and a weighted average of 2,347,536 (restated 2013: 2,424,181) ordinary shares in issue.

Basic and diluted earnings per share are equal in the six months ended 30 June 2014 as all outstanding share options were out of the money for the purposes of the diluted earnings per share calculation.

## **10. OTHER INTANGIBLE ASSETS**

Other intangible assets increased in the period as a result of the capitalisation of £162,000 of product development costs exceeding the amortisation charge for the period of £137,000.

## **11. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment increased in the reporting period as a result of the purchase of property, plant and equipment of £40,000 exceeding the depreciation charge for the period of £33,000.

## **12. INVENTORIES**

The increase in inventories during the reporting period primarily reflects increased activity levels and work in progress within the Stanelco RF division.

## **13. TRADE AND OTHER RECEIVABLES**

The increase in trade and other receivables is mainly a result of increased trade debtors within Biome Bioplastics due to the timing of sales.

## **14. TRADE AND OTHER PAYABLES**

The increase in trade and other payables during the reporting period primarily reflects the increased activity levels across the Group and the receipt of deposits within the Stanelco RF division.

## **15. SHARE CAPITAL & SHARE PREMIUM ACCOUNT**

On 16 July 2013 the Group consolidated its 5,897,880,000 ordinary shares of £0.001 into 2,427,732 ordinary shares of £0.05. As part of the share consolidation process the Company completed a court approved capital reduction on 25 July 2013 to cancel the share premium account of the parent company (£37,895,000) and credit this to the profit and loss reserve.

## **16. RISKS AND UNCERTAINTIES**

The principal risks and uncertainties affecting the business activities of the Group are detailed in the Strategic Report which can be found on pages 6-13 of the Annual Report and Financial Statements for the year ended 31 December 2013 ("the Annual Report"). A copy of the Annual Report and Financial Statements is available on the Company's website at [www.biomettechnologiesplc.com](http://www.biomettechnologiesplc.com)

The risks affecting the business remain the same as in the Annual Report. In summary, these risks include:

- changes in the regulatory environments in which the Group operates
- fluctuations in exchange rates, particularly Euro
- volatility in raw material prices and supply
- breach of intellectual property rights
- competitors developing more attractive products
- failure to commercialise products
- reliance on a small number of customers for certain products

- financial risks including exchange rate risk, liquidity risk, interest rate risk and credit risk.

Further details of how these risks impact the business and how the directors attempt to mitigate the risks can be found in the Annual Report.

## **INDEPENDENT REVIEW REPORT FOR BIOME TECHNOLOGIES PLC**

### **Introduction**

We have reviewed the condensed set of financial statements in the half-yearly financial report of Biome Technologies Plc for the six months ended 30 June 2014 which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes. We have read the other information contained in the half yearly financial report which comprises only the Chairman's Statement 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's members, as a body, 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'. Our review work has been undertaken so that we might state to the company's members those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our review work, for this report, or for the conclusion we have formed.

### **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards 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 International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

### **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'. 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 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

**GRANT THORNTON UK LLP**  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

SOUTHAMPTON  
2 September 2014