

**Belgravium  
Technologies plc**

Interim Results for the six months ended  
30 June 2012



**A mobile solution for every environment**

# Belgravium Technologies plc

## Welcome

We are a market leader in enterprise mobile computing solutions. We help capture, move and manage critical information, providing businesses the means to access real-time information anytime and anywhere.

### Our Applications

#### Warehouse and Logistics

Barcode readers, RFID readers, voice recognition systems, labelling and line marking, pick-by-light

#### Point of Delivery

Electronic proof of delivery and mobile point of sale

#### Vehicle Telematics

Vehicle tracking and vehicle condition telematics, routing & scheduling systems

#### IT Solutions

Mobile computers, application software, after sales IT support, bespoke development

*"This year is following a similar pattern to last year with a relatively weak first half to be followed by a significantly stronger second half. None of the contracts which had been expected in the first half have been lost and it is anticipated that they will be delivered later in the year. In addition, we have a good level of enquiries with potential of delivery in the second half. However, at present we are uncertain as to whether the second half of the year will be as strong as last year.*

*What is clear to the Board is that Belgravium is in a very strong competitive position and it remains confident that Belgravium can continue to secure new business opportunities as they arise."*

**John Kembery, Executive Chairman**



Our technologies bring huge benefits to our customers, in whatever environment they operate.

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# Chairman's Statement

## Key financials

	<b>30 June 2012</b>	30 June 2011
Turnover	<b>£4,320,000</b>	£4,773,000
Profit before tax	<b>£151,000</b>	£321,000
Basic earnings per share	<b>0.13p</b>	0.24p
Net cash	<b>£1,566,000</b>	£638,000

The continuing financial turmoil has affected the Belgravium Group's trading during the first half of 2012 and in the six months ended 30th June 2012 with the results being below the level we had hoped for. However similar to last year we expect a significantly stronger second half as we have secured a number of contracts for delivery in the second half and enquiry levels are encouraging.

## Results

Group sales totalled £4,320,000 compared to £4,773,000 in the first half of 2011. As a result, profit before tax for the first half of 2012 was £151,000 compared to £321,000 in the first half of 2011. Earnings per ordinary share were 0.13p in the first half of 2012 compared to 0.24p in 2011.

Notwithstanding this, the Group continued to generate cash with net cash standing at £1,566,000 at the period end. The Group is therefore in a strong cash position and well placed to continue investing for the future as and when required.

## The market

Sales in the second half of 2011 showed some buoyancy which we had expected would continue into 2012. However, as conditions worsened in international financial markets during the first half, hesitancy to place orders returned, with customers once again becoming reluctant to commit funds to new or upgraded projects. In general, contracts are not being lost but are being delayed. This is

even happening with replacement of old systems which cannot be supported or maintained due to the non-availability of components.

Despite this, we continue to see no shortage of opportunities and our staff have been very busy, designing and developing systems which can deliver to the client immediate benefits in cost saving and improved functionality.

## Operational review

In the first half of 2012 our sales and technical teams were very busy, not only pursuing new opportunities but also continuing to provide a comprehensive support package to our clients, which is crucial to future sales.

On the sales front during the period we announced that we had completed installation of our on-board retail software system, for British Airways. This project, on which we worked with Tourvest, a leading in-flight duty free operator, is proving a strong reference point for us in pursuing other opportunities in the airline sector.

In addition in the year to date, we have secured a number of notable contract wins such as with Air Berlin, Musgrave Wholesale and Express Gifts. We also announced the first orders for a new product, the TouchPC Hawk a rugged touch tablet computer.

The Company has continued to take steps to ensure it can maximise the opportunities when they arise. We continue to invest in people. Ours is a very specialised business and when staff with the right skills become available, we will hire them.

In addition, in-house product development continues with an added momentum aimed at both improving existing products and having new ones available for future market requirements.

Where we do not have the expertise in a particular sector we seek to improve the completeness of our solution by working with partners. For example, we are in the process of defining a marketing arrangement with Isotrak who are market leaders in innovative solutions for vehicle telematics. This is an area of great potential interest to our logistic market.

Such arrangements have already worked well for example, enabling us to gain contracts for 'chip and pin' solutions through our relationship with Ingenico. We announced in June that Thomas Cook had become the first UK airline to be granted accreditation from banks for the processing of chip and pin card sales using Belgravium's system.

The most essential feature of our present and future strategy is to provide and manage a complete mobile computing solution for our clients. This has become particularly important as integrated systems become more essential to the health and profitability of any business and clients seek complete solutions. This is the area in which we believe many of our competitors struggle and it is therefore essential in both widening our sales opportunity and, most importantly, generating more repeat revenue.

### **Balance sheet**

Cash and cash equivalents at the end of June 2011 totalled £987,000 and by the end of June 2012 this had increased to £1,620,000. This cash generation was despite paying off the term loan which was £349,000 at the end of June 2011 and paying a dividend of £101,000. Overall, the balance sheet is now in great shape and the policy to avoid debt in an uncertain environment has worked well.

### **Dividend**

The Board is committed to a progressive dividend policy and was pleased to be able to re-instate a final dividend paid on the results of 2011. It is expected that this policy will be maintained against the full year results for 2012.

### **Outlook**

This year is following a similar pattern to last year with a relatively weak first half to be followed by a significantly stronger second half. None of the contracts which had been expected in the first half have been lost and it is anticipated that they will be delivered later in the year. In addition we have a good level of enquiries with potential of delivery in the second half. However, at present we are uncertain as to whether the second half of the year will be as strong as last year.

What is clear to the Board is that Belgravium is in a very strong competitive position and it remains confident that Belgravium can continue to secure new business opportunities as they arise.



**J P Kembery**  
Executive Chairman  
6 September 2012

## Consolidated Income Statement

for the six months ended 30 June 12012

	6 months to 30 June 2012 Total (Unaudited) £'000	6 months to 30 June 2011 Total (Unaudited) £'000
	Notes	
<b>Revenue</b>	<b>4,320</b>	4,773
<b>Operating profit</b>	<b>154</b>	334
Finance income	<b>1</b>	1
Finance costs	<b>(4)</b>	(14)
<b>Profit before tax</b>	<b>151</b>	321
Income tax expense	<b>(22)</b>	(74)
<b>Profit for the period attributable to equity shareholders</b>	<b>129</b>	247
Basic earnings per ordinary share (pence)	2	0.24

## Consolidated Statement of Changes in Equity

for the six months ended 30 June 12012

	Called up share capital (Unaudited) £'000	Share premium account (Unaudited) £'000	Capital redemption reserve (Unaudited) £'000	Profit and loss account (Unaudited) £'000	Total (Unaudited) £'000
<b>At 30 June 2011</b>	<b>5,047</b>	<b>2,932</b>	<b>2,100</b>	<b>188</b>	<b>10,267</b>
Profit	–	–	–	629	629
<b>At 31 December 2011</b>	<b>5,047</b>	<b>2,932</b>	<b>2,100</b>	<b>817</b>	<b>10,896</b>
Profit	–	–	–	129	129
Equity dividends	–	–	–	(101)	(101)
<b>At 30 June 2012</b>	<b>5,047</b>	<b>2,932</b>	<b>2,100</b>	<b>845</b>	<b>10,924</b>

# Consolidated Balance Sheet

as at 30 June 2012

	<b>As at 30 June 2012 (Unaudited) £'000</b>	As at 30 June 2011 (Unaudited) £'000	As at 31 December 2011 (Audited) £'000
<b>Non-current assets</b>			
Intangible assets			
Goodwill	<b>9,124</b>	9,124	9,124
Other intangible assets	<b>266</b>	246	273
Property, plant and equipment	<b>333</b>	248	383
	<b>9,723</b>	9,618	9,780
<b>Current assets</b>			
Inventories	<b>1,977</b>	1,574	1,544
Trade and other receivables	<b>1,674</b>	2,627	3,006
Cash and cash equivalents	<b>1,620</b>	987	1,220
	<b>5,271</b>	5,188	5,770
<b>Total assets</b>	<b>14,994</b>	14,806	15,550
<b>Current liabilities</b>			
Trade and other payables	<b>2,819</b>	4,015	3,319
Current corporation tax liabilities	<b>179</b>	97	157
Deferred income tax liabilities	<b>70</b>	61	70
Financial liabilities: Borrowings and finance lease liabilities	<b>11</b>	349	98
Short term provisions	<b>13</b>	17	13
	<b>3,092</b>	4,539	3,657
<b>Non current liabilities</b>			
Deferred income	<b>935</b>	–	949
Financial liabilities: Borrowings and finance lease liabilities	<b>43</b>	–	48
<b>Total liabilities</b>	<b>4,070</b>	4,539	4,654
<b>Capital and reserves attributable to equity holders of the company</b>			
Ordinary shares	<b>5,047</b>	5,047	5,047
Share premium reserve	<b>2,932</b>	2,932	2,932
Capital redemption reserve	<b>2,100</b>	2,100	2,100
Profit and loss account	<b>845</b>	188	817
<b>Total equity</b>	<b>10,924</b>	10,267	10,896
<b>Total equity and liabilities</b>	<b>14,994</b>	14,806	15,550

# Consolidated Statement of Cash Flows

for the six months ended 30 June 12012

	<b>6 months to 30 June 2012 (Unaudited) £'000</b>	6 months to 30 June 2011 (Unaudited) £'000
<b>Cash flows from operating activities</b>		
Operating profit	<b>154</b>	334
Depreciation	<b>90</b>	62
Amortisation	<b>67</b>	66
Movement in:		
Inventories	<b>(433)</b>	(422)
Trade and other receivables	<b>1,332</b>	839
Trade and other payables	<b>(514)</b>	88
<b>Cash generated from operations</b>	<b>696</b>	967
Interest received	<b>1</b>	1
Interest paid	<b>(4)</b>	(14)
Corporation tax received	<b>-</b>	35
<b>Net cash generated from operating activities</b>	<b>693</b>	989
<b>Cash flows from investing activities</b>		
Expenditure on intangible fixed assets	<b>(60)</b>	(34)
Purchase of property, plant and equipment	<b>(40)</b>	(53)
<b>Net cash used in investing activities</b>	<b>(100)</b>	(87)
<b>Cash flows from financing activities</b>		
Repayment of finance lease contracts	<b>(5)</b>	-
Repayment of bank borrowings	<b>(87)</b>	(261)
Dividends paid to company's ordinary shareholders	<b>(101)</b>	-
<b>Net cash used in financing activities</b>	<b>(193)</b>	(261)
<b>Net increase in cash and cash equivalents</b>	<b>400</b>	641
Cash, cash equivalents and bank overdrafts at the beginning of the period	<b>1,220</b>	346
<b>Cash, cash equivalents and bank overdrafts at the end of the period</b>	<b>1,620</b>	987

# Notes to the Interim Results

for the six months ended 30 June 2012

- 1 This financial information comprises the condensed consolidated interim balance sheet as at 30 June 2012 and 30 June 2011 and related consolidated interim statement of income and cash flows for the six months then ended of Belgravium Technologies plc (hereinafter referred to as 'financial information'). Belgravium Technologies plc is listed on the AIM, a market operated by London Stock Exchange plc. This financial information for the half year ended 30 June 2012 has neither been audited nor reviewed and does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. This financial information was approved by the Board on 5 September 2012.

This financial information has been prepared in accordance with pronouncements on interim reporting issued by the ASB, AIM Rule 18 and the accounting policies set out in the 2011 annual report and financial statements which are prepared in accordance with IFRS as adopted by the European Union. The Group has chosen not to adopt IAS 34 'Interim financial statements' in preparing this financial information. This financial information has been prepared under the historical cost convention.

The audited accounts for the year ended 31 December 2011 upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies. The audit report on the 2011 accounts did not contain an emphasis of matter paragraph and did not contain a statement made under section 498 of the Companies Act 2006.

## 2 Earnings per ordinary share

	<b>2012</b> <b>(Unaudited)</b> £	2011 (Unaudited) £
Basic earnings per ordinary share	<b>0.13p</b>	0.24p

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

There were no dilutive ordinary shares.

	<b>2012</b> <b>(Unaudited)</b>		2011 (Unaudited)	
	<b>Earnings</b> <b>£'000</b>	<b>Weighted</b> <b>average</b> <b>number of</b> <b>shares (in</b> <b>thousands)</b>	Earnings £'000	Weighted average number of shares (in thousands)
<b>Basic EPS</b>				
Earnings attributable to ordinary shareholders	<b>129</b>	<b>100,937</b>	247	100,937

## Notes to the Interim Results continued

for the six months ended 30 June 2012

- 3 The Company did not declare an interim dividend in the half year ended 30 June 2012.
- 4 Copies of this statement will be made available to the public at the Company's office:- 2 Campus Road, Listerhills Science Park, Bradford, West Yorkshire, BD7 1HR, or can be obtained from our website at [www.belgravium-technologies.com](http://www.belgravium-technologies.com)

# Group Information

Registered Number in Scotland 5543

## Secretary and Registered Office

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Glasgow  
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## Independent Statutory Auditors

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Lower Mosley Street  
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M2 3PW

## Solicitors

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Worcester  
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