



**SpaceandPeople PLC** - SAL Half Yearly Report  
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**SpaceandPeople plc**  
**("SpaceandPeople" or the "Group")**

**Interim Results for the 6 months to 30 June 2016**

SpaceandPeople (AIM:SAL), the retail, promotional and brand experience specialist which facilitates and manages the sale of promotional and retail merchandising space in shopping centres and other high footfall venues, announces interim results for the six months ended 30 June 2016.

**Highlights**

- Consolidated gross revenue £11.1m (2015: £11.3m) - 1.8% down
- Consolidated net revenue £4.65m (2015: £4.77m) - 2.5% down
  - UK promotional net revenue £1.50m (2015: £1.43m) - 5.4% up
  - UK retail and MPK net revenue £1.46m (2015: £1.42m) - 3.2% up
  - German promotional net revenue £544k (2015: £612k) - 11.1% down
  - German retail net revenue £1.07m (2015: £1.24m) - 13.7% down
- Loss before taxation from continuing operations £174k (2015: profit £62k) - £236k down
- Basic earnings per share negative 2.96p (2015: positive 0.06p)
- Successful start to Network Rail contract won in 2015
- 75 Mobile Promotions Kiosks ("MPKs") in operation in the UK
- Commencement of kiosk pilot in France in January 2016
- Closure of S&P+ due to insufficient prospects leading to a one off charge of £552k in the period

**Contact details:**

**SpaceandPeople Plc** 0845 241 8215

Matthew Bending, Gregor Dunlay

**Cantor Fitzgerald Europe** 020 7894 7000

David Foreman, Will Goode (Corporate Finance)

David Banks, Richard Sloss (Sales)

**Chief Executive's Interim Operating Statement****Overview**

2015 was a year of transition for SpaceandPeople with a focus on gaining new clients and delivering higher value services. The first half of 2016 has been a continuation of this process with the successful expansion of our MPK programme and "Pop Up kiosks" offsetting the termination of some other traditional RMU contracts that were known to be occurring. We have also continued to explore opportunities for geographic expansion of our offer by commencing a pilot project with Immochan in France.

Taking our key divisions in turn:

**UK Divisions**MPKs

The expansion of our innovative MPK programme has continued during the first half of 2016 and by the half year end we had 75 kiosks installed in 56 venues throughout the UK including 9 Network Rail stations (2015: 37 kiosks). This area of the business will continue to grow and we anticipate having 80 kiosks in operation by the end of the year. MPK revenue in the first half was £661k compared with £260k in the same period in 2015. This was as a result of both an increase in the number of kiosks in operation as well as the improved sales performance of each kiosk.

RMUs

Revenue generated by the RMUs decreased in the first half of 2016 compared with the previous period as some contracts came to an end during 2015 and some other clients removed RMUs from their malls. The average number of RMUs trading in the first half year of 2016 was 123 compared with 128 in 2015. The movement away from the long term minimum guarantee business model by some clients has been as a result of them wanting more dynamism on their malls and retailers wanting more flexibility in duration and location for their operations. Our innovative Pop Up kiosk programme, where units can be deployed for shorter periods of time and at short notice, has been refined and should better satisfy the requirements of both venues and operators going forward. This Pop Up kiosk programme, combined with the well-received rebrand of "Retail Profile" as "POP Retail" demonstrates that temporary retailing in malls is vibrant and in demand.

The Pop Up kiosks allow short term trading, particularly at the Christmas period, which allows existing operators to up-sell into more units in different locations as well as removing barriers of entry into the venues for new retailers. In 2015 we deployed around 30 Pop Up kiosks and we aim to double that number this year.

Promotions

The core UK promotions division has performed well during the period with revenue increasing by 5% to £1.50 million. Within this division there has been a development of large scale Brand Experience campaigns into Network Rail stations, with high profile campaigns including the launch of the new Ghostbusters movie, the Renault Clio 25<sup>th</sup> Anniversary promotion and a campaign by Dubai Tourism.

**German Divisions**Retail

Our retail business in Germany transacts almost exclusively with ECE's portfolio of managed shopping centres. When this contract was renewed at the start of 2016 there was an agreed reduction in the number of kiosks deployed as centres that had proven to be difficult to trade in were removed from the contract. As a result, the average number of kiosks in operation in the first half of this year was 112, down from 136 in the previous year. It had been expected that the reduction in the number of kiosks and their concentration in the more desirable centres from our perspective would lead to higher average prices and higher levels of occupancy. Unfortunately, poor weather during the Spring and an unseasonably hot Summer have not

helped retailer demand overall. However, the team are currently building the Christmas pipeline which is the crucial trading period for the division.

#### Promotions

The German promotions business saw a fall away of long term promotions. These are long term promotions booked over three years and are now coming to an end as we exited from the ECE long term agreement hence the overall reduction of revenue, down 11%. Stripping this revenue out showed the underlying performance of short term promotions growing by 14% which is an excellent performance.

#### **SpaceandPeople Ventures**

This is the grouping of our overseas companies and also new businesses that we are developing.

SpaceandPeople India, which is 60% owned by the Company, saw trading in line with expectations despite the effects of a heavier monsoon period than usual which has impacted on some retailers. The overall contribution of this business to the profitability of the group is not significant.

The first half of 2016 saw the commencement of the pilot MPK programme with Immochan in France. This pilot is enabling us to learn a great deal about operating in the French market and the client is very happy with the product and the way it has improved the presentation of promotions within their malls. The costs of running the pilot are not inconsiderable with £94k being spent in the first six months of the year which has been fully recognised in these results. The pilot will conclude at the end of this year and a decision will be made in early 2017 on whether or not to continue and expand the roll-out.

In June this year the decision was taken to close S&P+, our London based Above-the-Line ("ATL") advertising support business. Although well received by our clients and despite a promising start in 2013, the company did not develop sales to a level that would enable it to be self-sustaining. In late June a number of contracts they had been working on were either cancelled or postponed. This meant that they required additional funding to be able to continue to trade and with their pipeline of business for the remainder of the year not being as strong as we would have hoped, the Board decided that the business did not have a viable future and that committing further cash was not in the best interests of the Group. The closure of this business caused a release of the non-controlling interest resulting in a £252k one-off charge to the Group in the first half of 2016.

#### **Outlook**

As we entered 2016 we were aware that a number of significant revenue streams that we had benefitted from in the past had either ended or were going to end during 2016. The development of the Pop Up kiosk concept along with the continued roll-out of MPKs and the new contracts with Network Rail and British Land means that our business has replaced the old revenue streams with new products that are attractive to both existing and new venues and customers alike.

The results for the first half year are in line with the results of the previous year excluding the costs associated with the closure of S&P+ and the running of the MPK pilot programme in France.

The continuing development of the MPK and Pop Up kiosk programmes in the UK as well as continuing to source and develop new products that are attractive to our clients is key to the growth in the second half of 2016.

The UK promotions division has a strong pipeline of business for the second half of this year. We have put new sales management in place and combined with a focused programme of staff incentives this should help this business develop further.

The Pop Up kiosk offer could see between 60 and 80 units trading this Christmas. This division's results are crucial to our achieving forecasts. There is a strong pipeline of business, but again transactions in October are historically when this business is done.

The German promotions division is currently negotiating a contract extension beyond 2016 with its key client. While this negotiation has been going on we have encountered a block on long term promotions being accepted. Hopefully once the contract is agreed we will be able to transact this business which is important to our second half year income.

In common with many retail related businesses, trading across the Group in the period since the half year end has been more subdued than we had anticipated. We will need to perform strongly over the remainder of the year in order to meet our expectations. We have a good team led by experienced managers who are all focused on delivering our objectives.

As a result of the one off costs of closing S&P+ and the need to invest further in the growth of the MPK programme next year, for the first time since being admitted to AIM in 2005, we do not intend to propose a

dividend during the 2016 financial period. This is intended to be a one year pause with dividends recommencing during the 2017 financial period.

Matthew Bending  
23 September 2016

## **Independent Review Report to SpaceandPeople 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 June 2016 which comprises, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related explanatory notes. 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 the terms of our engagement. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

### ***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 half-yearly financial report in accordance with the AIM Rules for Companies.

As disclosed in note 2, 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 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, 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 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules for Companies.

Campbell Dallas LLP  
Chartered Accountants  
Statutory Auditors  
Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF

Date: 23 September 2016

Consolidated Group Statement of Comprehensive Income

For the 6 months ended 30 June 2016

|   | Notes | 6 months to<br>30 June '16<br>(Unaudited)<br>£'000 | Restated -<br>6 months to<br>30 June '15<br>(Unaudited)<br>£'000 | Restated -<br>12 months to<br>31 December<br>'15<br>(Audited)<br>£'000 |
|---|-------|--|--|--|
| <b>Revenue</b>  | 5     | <b>4,646</b>                                       | <b>4,766</b>   | <b>11,433</b>  |
| Cost of Sales   |       | <u>(1,725)</u>                                     | <u>(1,637)</u>   | <u>(3,947)</u>   |
| <b>Gross Profit</b>   |       | <b>2,921</b>                                       | <b>3,129</b>   | <b>7,486</b>   |
| Administration expenses   |       | (3,220)  | (3,198)  | (6,713)  |
| Other operating income  |       | 114  | 131  | 295  |
| <b>Operating (loss) / profit</b>                                      |       | <u><b>(185)</b></u>                                | <u><b>62</b></u>   | <u><b>1,068</b></u>  |
| Finance income  |       | 31   | 14   | -  |
| Finance costs   |       | (20)   | (14)   | (28)   |
| <b>(Loss) / Profit before taxation</b>                                |       | <u><b>(174)</b></u>                                | <u><b>62</b></u>   | <u><b>1,040</b></u>  |
| Taxation  |       | -  | -  | (197)  |
| <b>(Loss) / Profit after taxation<br/>from continuing operations</b>  |       | <u><b>(174)</b></u>                                | <u><b>62</b></u>   | <u><b>843</b></u>  |
| Discontinued Operations   | 6     | <b>(552)</b>                                       | <b>(85)</b>  | <b>21</b>  |
| <b>(Loss) / Profit after taxation</b>                                 |       | <u><b>(726)</b></u>                                | <u><b>(23)</b></u>   | <u><b>864</b></u>  |
| <b>Other comprehensive income</b>                                     |       |  |  |  |
| Foreign exchange differences on<br>translation of foreign operations  |       | 143  | (10)   | (39)   |
| <b>Total comprehensive income for<br/>the period</b>                  |       | <u><b>(583)</b></u>                                | <u><b>(33)</b></u>   | <u><b>825</b></u>  |
| <b>(Loss) / Profit attributable to:</b>                               |       |  |  |  |
| Owners of the Company   |       | (578)  | 12   | 831  |
| Non-controlling interests   |       | <u>(148)</u>                                       | <u>(35)</u>  | <u>33</u>  |
|   |       | <u><b>(726)</b></u>                                | <u><b>(23)</b></u>   | <u><b>864</b></u>  |
| <b>Total comprehensive income for the<br/>period attributable to:</b> |       |  |  |  |
| Owners of the Company   |       | (435)  | 2  | 792  |
| Non-controlling interests   |       | <u>(148)</u>                                       | <u>(35)</u>  | <u>33</u>  |
|   |       | <u><b>(583)</b></u>                                | <u><b>(33)</b></u>   | <u><b>825</b></u>  |
| <b>Earnings per share</b>   | 14    |  |  |  |
| Basic   |       | (2.96p)  | 0.06p  | 4.26p  |
| Diluted   |       | (2.74p)  | 0.06p  | 3.89p  |

Consolidated Group Statement of Financial Position

At 30 June 2016

|   | Notes | 30 June '16<br>(Unaudited)<br>£'000 | 30 June '15<br>(Unaudited)<br>£'000 | 31 December<br>'15<br>(Audited)<br>£'000 |
|---|-------|-------------------------------------|-------------------------------------|--|
| <b>Assets</b>                                       |       |                                     |                                     |  |
| <b>Non-current assets:</b>                          |       |                                     |                                     |  |
| Goodwill  | 7     | 8,225                               | 8,225                               | 8,225                                    |
| Other intangible assets                             | 8     | 32                                  | 28                                  | 17                                       |
| Property, plant & equipment                         | 9     | 1,702                               | 1,701                               | 1,625                                    |
|   |       | <b>9,959</b>                        | <b>9,954</b>                        | <b>9,867</b>                             |
| <b>Current assets:</b>                              |       |                                     |                                     |  |
| Trade & other receivables                           |       | 3,685                               | 3,648                               | 4,205                                    |
| Cash & cash equivalents                             | 10    | 778                                 | 1,028                               | 1,723                                    |
|   |       | <b>4,463</b>                        | <b>4,676</b>                        | <b>5,928</b>                             |
| <b>Total assets</b>                                 |       | <b>14,422</b>                       | <b>14,630</b>                       | <b>15,795</b>                            |
| <b>Liabilities</b>                                  |       |                                     |                                     |  |
| <b>Current liabilities:</b>                         |       |                                     |                                     |  |
| Trade & other payables                              |       | 3,807                               | 4,657                               | 4,506                                    |
| Current tax payable                                 |       | (96)                                | (142)                               | 18                                       |
| Other borrowings                                    | 11    | -                                   | 250                                 | 250                                      |
|   |       | <b>3,711</b>                        | <b>4,765</b>                        | <b>4,774</b>                             |
| <b>Non-current liabilities:</b>                     |       |                                     |                                     |  |
| Deferred tax liabilities                            |       | 58                                  | 10                                  | 58                                       |
| Long term loan                                      | 11    | 1,200                               | 500                                 | 750                                      |
|   |       | <b>1,258</b>                        | <b>510</b>                          | <b>808</b>                               |
| <b>Total liabilities</b>                            |       | <b>4,969</b>                        | <b>5,275</b>                        | <b>5,582</b>                             |
| <b>Net assets</b>                                   |       | <b>9,453</b>                        | <b>9,355</b>                        | <b>10,213</b>                            |
| <b>Equity</b>                                       |       |                                     |                                     |  |
| Share capital                                       | 13    | 195                                 | 195                                 | 195                                      |
| Share premium                                       |       | 4,868                               | 4,868                               | 4,868                                    |
| Special reserve                                     |       | 233                                 | 233                                 | 233                                      |
| Retained earnings                                   |       | 3,883                               | 3,957                               | 4,747                                    |
| <b>Equity attributable to owners of the Company</b> |       | <b>9,179</b>                        | <b>9,253</b>                        | <b>10,043</b>                            |
| Non-controlling Interest                            |       | 274                                 | 102                                 | 170                                      |
| <b>Total equity</b>                                 |       | <b>9,453</b>                        | <b>9,355</b>                        | <b>10,213</b>                            |

Consolidated Group Statement of Cash Flows

For the 6 months ended 30 June 2016

|   | Notes | 6 months to<br>30 June '16<br>(Unaudited)<br>£'000 | Restated -<br>6 months to<br>30 June '15<br>(Unaudited)<br>£'000 | Restated -<br>12 months<br>to 31<br>December '15<br>(Audited)<br>£'000 |
|---|-------|--|--|--|
| <b>Cash flows from operating activities</b> |       | (290)  | (448)  | 192  |

|  |    |              |                |              |
|--|----|--------------|----------------|--------------|
| Cash (outflow) / inflow from operations                      |    |              |                |              |
| Interest paid  |    | (20)         | (14)           | (28)         |
| Taxation   |    | (114)        | 28             | 39           |
| <b>Net cash (outflow) / inflow from operating activities</b> |    | <b>(424)</b> | <b>(434)</b>   | <b>203</b>   |
| <b>Cash flows from investing activities</b>                  |    |              |                |              |
| Interest received  |    | 31           | 14             | -            |
| Purchase of intangible assets                                |    | (23)         | (15)           | (15)         |
| Purchase of property, plant & equipment                      | 9  | (300)        | (512)          | (690)        |
| <b>Net cash outflow from investing activities</b>            |    | <b>(292)</b> | <b>(513)</b>   | <b>(705)</b> |
| <b>Cash flows from financing activities</b>                  |    |              |                |              |
| Bank facility received                                       | 11 | 200          | 250            | 500          |
| Dividends paid   | 12 | (429)        | (390)          | (390)        |
| <b>Net cash outflow from financing activities</b>            |    | <b>(229)</b> | <b>(140)</b>   | <b>110</b>   |
| <b>(Decrease) in cash and cash equivalents</b>               |    | <b>(945)</b> | <b>(1,087)</b> | <b>(392)</b> |
| Cash at beginning of period                                  |    | 1,723        | 2,115          | 2,115        |
| <b>Cash at end of period</b>                                 | 10 | <b>778</b>   | <b>1,028</b>   | <b>1,723</b> |

**Reconciliation of operating profit to net cash flow from operating activities**

|   |   |              |              |            |
|---|---|--------------|--------------|------------|
| Operating (loss) / profit                   |   | (185)        | 62           | 1,068      |
| Operating (loss) / profit from discontinued | 6 | (300)        | (85)         | 21         |
| Amortisation of intangible assets           |   | 8            | 5            | 16         |
| Depreciation of property, plant & equipment |   | 223          | 185          | 439        |
| Effect of foreign exchange rate moves       |   | 143          | (10)         | (39)       |
| Decrease in receivables                     |   | 520          | 573          | 16         |
| (Decrease) in payables                      |   | (699)        | (1,178)      | (1,329)    |
| <b>Cash flow from operating activities</b>  |   | <b>(290)</b> | <b>(448)</b> | <b>192</b> |

Consolidated Group Statement of Changes in Equity

For the 6 months ended 30 June 2016

| 6 months to 30 June '16                         | Share capital | Share premium | Special reserve | Retained earnings | Non-controlling Interest | Total equity |
|---|---------------|---------------|-----------------|-------------------|--------------------------|--------------|
|   | £'000         | £'000         | £'000           | £'000             | £'000                    | £'000        |
| At 1 January '16                                | 195           | 4,868         | 233             | 4,747             | 170                      | 10,213       |
| Foreign currency translation                    | -             | -             | -               | 143               | -                        | 143          |
| Loss for the period                             | -             | -             | -               | (578)             | (148)                    | (726)        |
| Elimination of non-controlling interest in S&P+ | -             | -             | -               | -                 | 252                      | 252          |
| Dividends paid                                  | -             | -             | -               | (429)             | -                        | (429)        |
| <b>At 30 June '16</b>                           | <b>195</b>    | <b>4,868</b>  | <b>233</b>      | <b>3,883</b>      | <b>274</b>               | <b>9,453</b> |

|               |               |                 |                   |                 |              |
|---------------|---------------|-----------------|-------------------|-----------------|--------------|
| Share capital | Share premium | Special reserve | Retained earnings | Non-controlling | Total equity |
|---------------|---------------|-----------------|-------------------|-----------------|--------------|

| 6 months to 30 June '15        | £'000      | £'000        | £'000      | £'000        | Interest £'000 | £'000        |
|--------------------------------|------------|--------------|------------|--------------|----------------|--------------|
| At 1 January '15               | 195        | 4,868        | 233        | 4,345        | 137            | 9,778        |
| Foreign currency translation   | -          | -            | -          | (10)         | -              | (10)         |
| Profit / (Loss) for the period | -          | -            | -          | 12           | (35)           | (23)         |
| Dividends paid                 | -          | -            | -          | (390)        | -              | (390)        |
| <b>At 30 June '15</b>          | <b>195</b> | <b>4,868</b> | <b>233</b> | <b>3,957</b> | <b>102</b>     | <b>9,355</b> |

| 12 months to 31 December '15 | Share capital £'000 | Share premium £'000 | Special reserve £'000 | Retained earnings £'000 | Non-controlling Interest £'000 | Total equity £'000 |
|------------------------------|---------------------|---------------------|-----------------------|-------------------------|--------------------------------|--------------------|
| At 1 January '15             | 195                 | 4,868               | 233                   | 4,345                   | 137                            | 9,778              |
| Foreign currency translation | -                   | -                   | -                     | (39)                    | -                              | (39)               |
| Profit for the period        | -                   | -                   | -                     | 831                     | 33                             | 864                |
| Dividends paid               | -                   | -                   | -                     | (390)                   | -                              | (390)              |
| <b>At 31 December '15</b>    | <b>195</b>          | <b>4,868</b>        | <b>233</b>            | <b>4,747</b>            | <b>170</b>                     | <b>10,213</b>      |

#### Notes to the financial statements

#### For the 6 months ended 30 June 2016

#### 1. General information

SpaceandPeople plc is a limited liability company incorporated and domiciled in Scotland (registered number SC212277) which is listed on AIM (ticker: SAL).

This condensed consolidated interim financial information has been reviewed, but not audited, by the auditors, and their independent review is set out in this announcement. It does not constitute statutory accounts as defined by Section 434 of the Companies Act 2006. The financial information for the 12 months to 31 December 2015 has been extracted from the statutory accounts for that period. These published accounts were reported on by the auditors without qualification or an emphasis of matter reference, and did not include a statement under section 498 of the Companies Act 2006, and have been delivered to the Registrar of Companies.

This condensed consolidated interim financial information was approved by the board on 23 September 2016.

#### 2. Basis of preparation

This condensed consolidated interim financial information for the 6 months ended 30 June 2016 has been prepared in accordance with IAS 34 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the financial statements of the Group for the period ending 31 December 2015 which were prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

#### 3. Accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those applied in the financial statements of the Group for the year ended 31 December 2015.

#### 4. Seasonality of operations



Due to the seasonal nature of the retail business, higher revenues and operating profits are usually expected in the second half of the year than in the first six months, particularly for subsidiary companies POP Retail Limited and Retail Profile Europe GmbH.

## 5. Segmental reporting

The Group maintains its head office in Glasgow and an office in Hamburg, Germany. These are reported separately. The Group operates both Promotional Sales and Retail businesses in both the UK and Germany. The Group has determined that these are the principal operating segments as the performance of these segments is monitored separately and reviewed by the board.

The following table presents revenue and profit and loss information regarding the Group's two business segments - Promotional Sales and Retail, split by geographic area. Other segment represents the Groups investments in SpaceandPeople India and Retail Profile France.

|  | Promotions<br>UK | Promotions<br>Germany | Retail<br>UK | Retail<br>Germany | Head<br>Office | Other        | Group        |
|--|------------------|-----------------------|--------------|-------------------|----------------|--------------|--------------|
|  | £'000            | £'000                 | £'000        | £'000             | £'000          | £'000        | £'000        |
| 6 months to<br>30 June '16                     |                  |                       |              |                   |                |              |              |
| Revenue  | 1,502            | 544                   | 1,462        | 1,068             | -              | 70           | 4,646        |
| <b>Segment<br/>operating<br/>profit/(loss)</b> | <b>385</b>       | <b>145</b>            | <b>(169)</b> | <b>1</b>          | <b>(456)</b>   | <b>(80)</b>  | <b>(174)</b> |
| 6 months to<br>30 June '15                     |                  |                       |              |                   |                |              |              |
| Revenue  | 1,425            | 612                   | 1,417        | 1,237             | -              | 75           | 4,766        |
| <b>Segment<br/>operating<br/>profit/(loss)</b> | <b>328</b>       | <b>279</b>            | <b>27</b>    | <b>60</b>         | <b>(649)</b>   | <b>(107)</b> | <b>(62)</b>  |
| 12 months to<br>31 December<br>'15             |                  |                       |              |                   |                |              |              |
| Revenue  | 3,063            | 2,438                 | 3,151        | 2,632             | -              | 149          | 11,433       |
| <b>Segment<br/>operating<br/>profit/(loss)</b> | <b>1,684</b>     | <b>53</b>             | <b>206</b>   | <b>46</b>         | <b>(1,039)</b> | <b>90</b>    | <b>1,040</b> |

## 6. Discontinued operations

During the period, the Group took decision to close its S&P+ business, which operated in a niche sector distinct from SpaceandPeople's core business. SpaceandPeople owned 51% of S&P+ and didn't consider it prudent to continue funding the venture beyond what had already been provided. The combined results of the discontinued operations included in the loss for the year are set out below. The comparative loss / profit from discontinued operations have been represented to include those operations classified as discontinued in the current year.

|   | 6 months to<br>30 June '16<br>£'000 | 6 months to<br>30 June '15<br>£'000 | 12 months to<br>31 December '15<br>£'000 |
|---|-------------------------------------|-------------------------------------|--|
| <b>Profit / (Loss) for the year from<br/>discontinued operations</b>  |                                     |                                     |  |
| Revenue   | 487                                 | 997                                 | 2,381                                    |
| Cost of Sales   | (343)                               | (744)                               | (1,738)                                  |
| <b>Gross Profit</b>   | <b>144</b>                          | <b>253</b>                          | <b>643</b>                               |
| Administration expenses   | (444)                               | (338)                               | (622)                                    |
| Results from operating activities (net of<br>tax) to date of disposal | (300)                               | (85)                                | 21                                       |
| Non-controlling interest eliminated                                   | (252)                               | -                                   | -  |
| <b>(Loss) / profit for period from<br/>discontinued operations</b>    | <b>(552)</b>                        | <b>(85)</b>                         | <b>21</b>                                |

## 7. Goodwill

| <i>Net book value</i> | 6 months to<br>30 June '16 | 6 months to<br>30 June '15 | 12 months to<br>31 December '15 |
|-----------------------|----------------------------|----------------------------|---------------------------------|
|                       | £'000                      | £'000                      | £'000                           |
| Opening Balance       | 8,225                      | 8,225                      | 8,225                           |
| Closing Balance       | <b>8,225</b>               | <b>8,225</b>               | <b>8,225</b>                    |

## 8. Other intangible assets

| <i>Net book value</i> | 6 months to<br>30 June '16 | 6 months to<br>30 June '15 | 12 months to<br>31 December '15 |
|-----------------------|----------------------------|----------------------------|---------------------------------|
|                       | £'000                      | £'000                      | £'000                           |
| Opening Balance       | 17                         | 18                         | 18                              |
| Additions             | 23                         | 15                         | 15                              |
| Amortisation          | (8)                        | (5)                        | (16)                            |
| Closing Balance       | <b>32</b>                  | <b>28</b>                  | <b>17</b>                       |

## 9. Property, plant and equipment

| <i>Net book value</i> | 6 months to<br>30 June '16 | 6 months to<br>30 June '15 | 12 months to<br>31 December '15 |
|-----------------------|----------------------------|----------------------------|---------------------------------|
|                       | £'000                      | £'000                      | £'000                           |
| Opening Balance       | 1,625                      | 1,374                      | 1,374                           |
| Additions             | 300                        | 512                        | 690                             |
| Depreciation          | (223)                      | (185)                      | (439)                           |
| Closing Balance       | <b>1,702</b>               | <b>1,701</b>               | <b>1,625</b>                    |

## 10. Cash & cash equivalents

|                          | 30 June '16 | 30 June '15  | 31 December '15 |
|--------------------------|-------------|--------------|-----------------|
|                          | £'000       | £'000        | £'000           |
| Cash at Bank and on hand | 778         | 1,028        | 1,723           |
|                          | <b>778</b>  | <b>1,028</b> | <b>1,723</b>    |

## 11. Non-current liabilities

As at 30 June 2016, SpaceandPeople had drawn down £1.2 million (June 2015: £750k) of its agreed bank facility of £2 million. The amount drawn is part of a revolving credit facility of which £1 million is repayable by 31 Jul 2017 and £1 million is repayable by 31 July 2019.

## 12. Dividends

|                        | 30 June '16 | 30 June '15 | 31 December '15 |
|------------------------|-------------|-------------|-----------------|
|                        | £'000       | £'000       | £'000           |
| Paid during the period | 429         | 390         | 390             |

## 13. Called up share capital

| Allotted, issued and fully paid |               |        | 30 June '16 | 30 June '15 | 31 December '15 |
|---------------------------------|---------------|--------|-------------|-------------|-----------------|
| Class                           | Nominal value |        |             |             |                 |
| Ordinary                        | 1p            | £      | 195,196     | 195,196     | 195,196         |
|                                 |               | Number | 19,519,563  | 19,519,563  | 19,519,563      |

#### 14. Earnings per share

Earnings per share has been calculated using the (loss) / profit after taxation for the period and the weighted average number of shares in issue.

|  | 30 June '16 | 30 June '15 | 31 December '15 |
|--|-------------|-------------|-----------------|
|  | £'000       | £'000       | £'000           |
| (Loss) / profit after taxation                               | (578)       | 12          | 831             |
|  |             |             |                 |
| Weighted average number of shares in issue during the period | '000        | '000        | '000            |
| - 1p ordinary shares   | 19,520      | 19,520      | 19,520          |
| - Share options  | 1,562       | 1,883       | 1,866           |
| - Diluted ordinary shares                                    | 21,082      | 21,403      | 21,386          |

SpaceandPeople plc  
2<sup>nd</sup> Floor  
100 West Regent Street  
Glasgow  
G2 2QD  
Telephone: 0845 2418215  
Email: [help@spaceandpeople.com](mailto:help@spaceandpeople.com)

[www.spaceandpeople.com](http://www.spaceandpeople.com)

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