

Date: 15 April 2015
On behalf of: Tracsis plc
Embargoed until 0700hrs

Tracsis plc

(‘Tracsis’, ‘the Company’ or ‘the Group’)

Interim results for the six months ended 31 January 2015

Tracsis plc (AIM: TRCS), is pleased to announce its interim results for the six months ended 31 January 2015.

Financial Highlights:

- Revenue increased 22% to £12.0m (2014: £9.8m)
- Adjusted Pre-tax Profit¹ increased 24% to £3.2m (2014: £2.6m)
- Statutory Profit Before Tax increased 13% to £2.5m (2014: £2.3m)
- Basic Earnings per share increased 19% to 8.00p (2014: 6.72p)
- Cash balances at 31 January increased to £10.0m (31 July 2014: £8.9m, 31 January 2014 £7.6m)
- Interim dividend of 0.4p per share proposed – an increase of 14% on last year
- On track to deliver full year earnings in line with expectations

¹Profit before tax, plus amortisation, share based payments and exceptional items

Operational Highlights:

- All parts of the Group performed well in the period trading at or ahead of plan
- Strong contribution from the Group's Data Capture & Analytics offering
- Good maiden performance from Datasys (acquired May 2014) which is trading above expectation underpinned by high levels of recurring software revenue
- Remote Condition Monitoring activities in North America continue to plan with good progress being made:
 - Two year contract signed with US distributor on exclusive basis
 - Two additional technology pilots established with Class 1 rail operators
- Rail & Bus Operations division trading well given UK rail franchising activity

John McArthur, Chief Executive Officer, commented:

“We are pleased to report a further period of growth with all of our key performance indicators ahead of the same period last year. Following a period of record growth in 2014, Tracsis has built upon this position with notable wins in overseas markets whilst achieving further growth in our domestic market.”

“We remain focused on driving organic growth and continue to appraise acquisition opportunities from a strong pipeline of qualified targets. The Board expects full year trading to be in line with expectations and remains confident about our forward growth prospects.”

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Chairman & Chief Executive Officer's Report

A welcome from Chris Cole, Non-Executive Chairman

I am pleased to provide this joint report with John. It is nearly a year since I was appointed Non-Executive Chairman and the ambitions and performance of the Company have aligned with my expectations. The markets and sectors in which we work are dynamic and provide the Company with significant opportunity for growth and resilient diversification. I enjoy working with Management and providing them with my experience and counsel to support their ambitions for the Company.

Business Summary

The Group has made a good start to the new financial year and as such, the Board is confident that our business is on track to deliver full year results in line with market expectations. All of our key performance metrics such as revenue, profit before tax, and cash held at bank, are ahead of the same period last year demonstrating the performance of the Group in the past six months.

Rail & Bus Operations

Software

This part of the Group has performed very well in the period. Revenues were significantly ahead of the previous year which reflects the contribution made from Datasys (acquired May 2014) in addition to good levels of organic growth. The division is supported by high levels of recurring revenue that arise from annual software licences and we continue to work with the vast majority of Train Operating Companies (TOCs) in the UK. Datasys made a significant contribution both on underlying revenue and profit but also in growing our technical resources in terms of manpower and expertise which will allow us to deliver larger scale, inter-Group initiatives in line with our product road map. Elsewhere, the bulk of our organic growth was achieved from a large installation of our COMPASS product in Scandinavia which follows on from previous successful implementations in this part of Europe. Overall software revenues of £3.04m were significantly ahead of the previous year's £1.21m which is a significant achievement for the Group given the recurring nature of this revenue.

Consultancy and services

Revenues in this part of the Group were slightly adverse to the previous year but the full year will benefit from the rail refranchising activity within the UK, where our consultancy team is currently aligned to support bidders for the Northern and Transpennine Express franchise bids. In the first half, our team were involved with several other major projects outside of franchise bid work and more opportunities of this nature are expected in future as the Group broadens its range of consultancy activities.

Remote Condition Monitoring

This part of the Group performed extremely well in the previous financial year due to the fulfilment of a large order for a major UK based customer which Tracsis is under contract with through to 2018. We did not expect orders of comparable size for H1 of this financial year in view of the timing of spend under this Framework Agreement. For this reason, although revenue in the period is adverse to the previous year we are pleased with the progress this division has made having successfully converted a number of smaller new customers. Furthermore, post period

end, we are pleased to report this Division received an additional UK Framework Agreement order for £1.1m which is due to be fulfilled in H2.

With regards activities in North America, Tracsis has now signed an exclusive distribution agreement with a US rail technology partner for two years subject to performance metrics. Since signing this agreement we are pleased to announce an additional two US Class 1 pilots for the adoption of our RCM technology (hardware and software) and hope to announce further progress in due course.

The timing of adoption of RCM technology within large rail networks will vary by customer type and we are not anticipating a significant revenue contribution from the US in H2 this year. However, management believes seeding the US market with our technology at the earliest opportunity is the correct approach and that will lead to significant success in the fullness of time. We remain bullish about our prospects in North America and other overseas territories and are pleased with the appetite shown by potential new customers to pilot our technology.

Data Capture & Passenger Counting

This part of the Group performed very well in the first half of the year and revenues of £6.95m were significantly ahead of the previous year (H1 2014: £5.4m). Both Sky High and Tracsis Passenger Counts enjoyed buoyant starts to the new financial year reflecting revenue from a number of Framework Agreements, proactive account management across the client base, several ad hoc client wins, and also the continuation of a large data collection piece of work for a major UK Transport agency. This part of the Group has operations in Australia which traded in line with expectations. In May of this year Sky High and Tracsis Passenger Counts will be formally rebranded as Tracsis Traffic & Data Services which underpins the integration of Sky High into the wider Tracsis Group.

Acquisitions

During the period, the Group appraised a number of acquisition opportunities against its strict investment criteria and continues to enjoy a strong pipeline of qualified opportunities. The Board considers the Group is well placed to benefit further from such growth, thus utilising our financial strength.

Overseas

The Group continues to target overseas markets as a natural source of organic growth. Total overseas revenues amounted to £1.4m (H1 2014: £1.0m) with the majority of this coming from Sky High Australia. The business also delivered a major implementation for COMPASS in Scandinavia with a new client which followed on from successes in previous years and increased our footprint further in this territory.

Dividend

The Group is committed to following the progressive dividend policy that was adopted in previous years. The Directors propose an interim dividend of 0.40p per share, which is a 14% increase on the 0.35p paid in the corresponding period last year. The dividend will be paid on 8 May 2015 to shareholders on the register on 24 April 2015.

Income statement

A summary of the Group's results is set out below, which illustrates continued growth on the same period last year at all levels.

	Six months ended 31 January 2015 £'000	Six months ended 31 January 2014 £'000	Year ended 31 July 2014 £'000
Revenue	12,038	9,840	22,357
Adjusted EBITDA¹	3,431	2,789	5,434
Adjusted Pre-Tax Profit²	3,229	2,602	5,007
Operating profit	2,533	2,255	4,197
Profit after tax for the period	2,110	1,715	3,303

¹Earnings before finance income, tax, depreciation, amortisation, exceptional items and share-based payment charges

²Profit before tax, plus amortisation, share based payments and exceptional items

Sales revenue is analysed further below:

	Six months Ended 31 January 2015 £'000	Six months ended 31 January 2014 £'000	Year ended 31 July 2014 £'000
Software licences and post contract customer support	3,041	1,210	2,798
Rail Consultancy and professional services*	760	852	1,815
Rail & Bus Operations	3,801	2,062	4,613
Data capture and passenger counting	6,954	5,417	11,987
Remote Condition monitoring technology	1,283	2,361	5,757
Total revenue	12,038	9,840	22,357

* A high element of consultancy revenue is derived from the use of our software products.

Balance sheet

The Group continues to enjoy a very strong balance sheet, with no external borrowings and cash generation remains strong. Cash balances have increased further by £1.1m in the period, from £8.9m at 31 July 2014 to £10.0m at 31 January 2015 with the principal elements of the movement being:

	Six months ended 31 January 2015 £'000	Six months ended 31 January 2014 £'000	Year ended 31 July 2014 £'000
Net cash flow from operating activities	1,355	1,428	5,717
Net cash used in investing activities	(288)	(174)	(3,332)
Net cash from/(used) in financing activities	87	(171)	2
Exchange differences	(27)	(43)	(38)
Movement during the period	1,127	1,040	2,349

Outlook

The Group has performed well in the first half of our financial year and made good progress both with organic growth within the UK but also in terms of bedding down previous acquisitions whilst also expanding its influence in new overseas markets. We remain on track to deliver full year results in line with market expectations and thank our team, customers and shareholders for their continued support.

Chris Cole
Non-Executive Chairman

John McArthur
Chief Executive Officer

15 April 2015

Tracsis plc
Condensed consolidated interim income statement
For the six months ended 31 January 2015

	Unaudited Six months ended 31 January 2015 £'000	Unaudited Six months ended 31 January 2014 £'000	Audited Year ended 31 July 2014 £'000
Revenue from continuing operations	12,038	9,840	22,357
Cost of sales	(4,324)	(3,912)	(9,546)
Gross profit	7,714	5,928	12,811
Administrative costs	(5,181)	(3,673)	(8,614)
Adjusted EBITDA *	3,431	2,789	5,434
Amortisation of intangible assets	(357)	(196)	(460)
Depreciation	(212)	(190)	(431)
Exceptional item: Acquisition costs	-	-	(31)
Share-based payment charges	(329)	(148)	(315)
Operating profit from continuing operations	2,533	2,255	4,197
Finance income	18	20	36
Finance expense	(8)	(17)	(32)
Profit before tax	2,543	2,258	4,201
Taxation	(433)	(543)	(898)
Profit for the period	2,110	1,715	3,303
Other comprehensive income/expense:			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences – foreign operations	(27)	(43)	(38)
Total recognised income for the year	2,083	1,672	3,265
Earnings per ordinary share			
Basic	8.00p	6.72p	12.90p
Diluted	7.64p	6.44p	12.44p

*Earnings before finance income, tax, depreciation, amortisation, exceptional items and share-based payment charges

Tracsis plc
Condensed consolidated interim balance sheet
As at 31 January 2015

	Unaudited At 31 January 2015 £'000	Unaudited At 31 January 2014 £'000	Audited At 31 July 2014 £'000
Non-current assets			
Property, plant and equipment	1,886	1,584	1,689
Intangible assets	10,367	5,871	10,724
	12,253	7,455	12,413
Current assets			
Inventories	272	295	263
Trade and other receivables	5,628	4,374	4,442
Cash and cash equivalents	10,047	7,611	8,920
	15,947	12,280	13,625
Total assets	28,200	19,735	26,038
Non-current liabilities			
Hire-purchase contracts	193	160	133
Deferred tax liabilities	1,188	979	1,388
	1,381	1,139	1,521
Current liabilities			
Hire-purchase contracts	114	94	100
Trade and other payables	5,539	2,945	6,075
Current tax liabilities	644	625	493
	6,297	3,664	6,668
Total liabilities	7,678	4,803	8,189
Net assets	20,522	14,932	17,849
Equity attributable to equity holders of the company			
Called up share capital	106	102	105
Share premium reserve	4,724	4,285	4,591
Merger reserve	1,846	1,472	1,846
Share based payments reserve	1,027	531	698
Retained earnings	12,946	8,647	10,709
Translation reserve	(127)	(105)	(100)
Total equity	20,522	14,932	17,849

Tracsis plc

Consolidated statement of changes in equity

For the six months ended 31 January 2015

Unaudited	Share Capital £'000	Share Premium Reserve £'000	Merger Reserve £'000	Share- Based Payments Reserve £'000	Retained Earnings £'000	Translation reserve £'000	Total £'000
At 1 August 2013	102	4,280	1,472	383	7,034	(62)	13,209
Profit for the six month period ended 31 January 2014	-	-	-	-	1,715	-	1,715
Other comprehensive income/(expense)	-	-	-	-	-	(43)	(43)
Total comprehensive income	-	-	-	-	1,715	(43)	1,672
Transactions with owners:							
Dividends	-	-	-	-	(102)	-	(102)
Exercise of share options	-	5	-	-	-	-	5
Share based payment charges	-	-	-	148	-	-	148
At 31 January 2014	102	4,285	1,472	531	8,647	(105)	14,932
Audited							
At 1 August 2013	102	4,280	1,472	383	7,034	(62)	13,209
Profit for the year ended 31 July 2014	-	-	-	-	3,303	-	3,303
Other comprehensive income/(expense)	-	-	-	-	-	(38)	(38)
Total comprehensive income	-	-	-	-	3,303	(38)	3,265
Transactions with owners:							
Dividends	-	-	-	-	(191)	-	(191)
Share based payment charges	-	-	-	315	-	-	315
Tax movements in equity	-	-	-	-	563	-	563
Exercise of share options	2	311	-	-	-	-	313
Shares issues as consideration for business combinations	1	-	374	-	-	-	375
At 31 July 2014	105	4,591	1,846	698	10,709	(100)	17,849

Tracsis plc

Consolidated statement of changes in equity (continued)

For the six months ended 31 January 2015

Unaudited	Share Capital £'000	Share Premium Reserve £'000	Merger Reserve £'000	Share- Based Payments Reserve £'000	Retained Earnings £'000	Translation reserve £'000	Total £'000
At 1 August 2014	105	4,591	1,846	698	10,709	(100)	17,849
Profit for the six month period ended 31 January 2015	-	-	-	-	2,110	-	2,110
Other comprehensive income/(expense)	-	-	-	-	-	(27)	(27)
Total comprehensive income	-	-	-	-	2,110	(27)	2,083
Transactions with owners:							
Exercise of share options	1	133	-	-	-	-	134
Tax movements in equity	-	-	-	-	127	-	127
Share based payment charges	-	-	-	329	-	-	329
At 31 January 2015	106	4,724	1,846	1,027	12,946	(127)	20,522

Tracsis plc

**Condensed consolidated interim statement of cash flows
for the six months ended 31 January 2015**

	Unaudited Six months ended 31 January 2015 £'000	Unaudited Six months ended 31 January 2014 £'000	Audited Year ended 31 July 2014 £'000
Operating activities			
Profit for the period	2,110	1,715	3,303
Finance income	(18)	(20)	(36)
Finance expense	8	17	32
Depreciation	212	190	431
Amortisation of intangible assets	357	196	460
Income tax charge	433	543	898
Share based payment charges	329	148	315
Operating cash inflow before changes in working capital	3,431	2,789	5,403
Movement in inventories	(9)	(59)	(27)
Movement in trade and other receivables	(1,186)	(509)	(94)
Movement in trade and other payables	(536)	(587)	1,080
Cash generated from operations	1,700	1,634	6,362
Finance income	18	20	36
Finance expense	(8)	(17)	(32)
Income tax paid	(355)	(209)	(649)
Net cash flow from operating activities	1,355	1,428	5,717
Investing activities			
Purchase of plant and equipment	(288)	(174)	(446)
Acquisition of subsidiaries	-	-	(2,886)
Net cash flow used in investing activities	(288)	(174)	(3,332)
Financing activities			
Dividends paid	-	(102)	(191)
Proceeds from the exercise of share options	134	5	313
Hire purchase repayments	(47)	(74)	(120)
Net cash flow from/(used in) financing activities	87	(171)	2
Net increase in cash and cash equivalents	1,154	1,083	2,387
Effect of exchange fluctuations	(27)	(43)	(38)
Cash and cash equivalents at beginning of period	8,920	6,571	6,571
Cash and cash equivalents at end of period	10,047	7,611	8,920

Notes to the consolidated interim report

For the six months ended 31 January 2015

1 Basis of preparation

Tracsis plc (the 'Company') is a company domiciled in England. The condensed consolidated interim financial report of the Company as at and for the six months ended 31 January 2015 comprises the Company and its subsidiaries (together referred to as the 'Group'). The principal activity of the group is solving a variety of resource optimisation, rail management, data capture, and reporting problems via the provision of a range of software, hardware, and associated high value technology led professional services. (see note 4).

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 July 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The interim financial information for each of the six month periods ended 31 January 2015 and 31 January 2014 has not been audited and does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. The information for the year ended 31 July 2014 does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006, but is based on the statutory accounts for that year, on which the Group's auditors issued an unqualified report and which have been filed with the Registrar of Companies.

The principal risks and uncertainties are largely unchanged for the remainder of the financial year, and are as disclosed on pages 8 to 10 of the Annual Report & Accounts for the year ended 31 July 2014. The Board considers risks on a periodic basis and has updated the key risks as follows:

- Rail industry structure changes
- Competition
- Reduced government spending
- Reliance on certain key customers
- Attraction and retention of key employees
- Technological changes
- Customer pricing pressure
- Health & Safety
- Brand reputation

Further detail on risks is provided in the Annual Report & Accounts for the year ended 31 July 2014.

The condensed consolidated interim financial information was approved for issue on 15 April 2015.

2 Accounting Policies

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 July 2014 and which will form the basis of the 2015 Annual Report except as described below. The basis of consolidation is set out in the Group's accounting policies in those financial statements.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, such as expectations of future events and are believed to be reasonable under the circumstances. Actual results may differ from these estimates. In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements for the year ended 31 July 2014.

3 Changes in accounting policies

The following amendments to financial reporting standards were adopted from 1 August 2014, the start of the new financial year. None of them have had a significant impact on the Group:

- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- IAS 27: Separate Financial Statements
- IAS 28: Investments in Associates and Joint Ventures
- Annual Improvements to IFRSs – 2010-2012 cycle
- Annual Improvements to IFRSs – 2011-2013 cycle
- IAS 36 Amendments – Impairment of Assets

The following new amendments to standards were in issue but are not yet effective for the financial year beginning 1 August 2014 and are not currently relevant for the Group:

- IFRS 15 – Revenue from contracts with customers (replacement of IAS11, IAS18, IFRIC13, IFRIC15, IFRIC18 and SIC-31) (effective 1 January 2017, not yet endorsed by EU).
- IFRS 9 Amendments – Financial Instruments (replacement of IAS39) (effective 1 January 2015, not yet endorsed by EU).

4 Segmental analysis

The Group's revenue and profit was derived from its principal activity which is the solving a variety of data capture, reporting and resource optimisation problems along with the provision of a range of associated professional services.

In accordance with IFRS 8 'Operating Segments', the Group has made the following considerations to arrive at the disclosure made in these financial statements.

IFRS 8 requires consideration of the Chief Operating Decision Maker ("CODM") within the Group. In line with the Group's internal reporting framework and management structure, the key strategic and operating decisions are made by the Board of Directors, who review internal monthly management reports, budgets and forecast information as part of this. Accordingly, the Board of Directors are deemed to be the CODM.

Operating segments have then been identified based on the internal reporting information and management structures within the Group. From such information it has been noted that the CODM reviews the business as a single operating segment, receiving internal information on that basis. The management structure and allocation of key resources, such as operational and administrative resources, are arranged on a centralised basis. Due to the small size and low complexity of the business, profitability is not analysed in further detail beyond the operating segment level and is not divided by revenue stream.

The CODM reviews a split of revenue streams on a monthly basis and, as such, this additional information has been provided below.

	Six months ended 31 January 2015 £'000	Six months ended 31 January 2014 £'000	Year ended 31 July 2014 £'000
Revenue			
Software licences and post contract customer support	3,041	1,210	2,798
Rail consultancy and professional services	760	852	1,815
Rail & Bus Operations	3,801	2,062	4,613
Data capture and passenger counting	6,954	5,417	11,987
Remote Condition monitoring technology	1,283	2,361	5,757
Total revenue	12,038	9,840	22,357

A geographical analysis of revenue is provided below:

	Six months ended 31 January 2015 £'000	Six months ended 31 January 2014 £'000	Year ended 31 July 2014 £'000
United Kingdom	10,645	8,847	20,252
Australia	898	812	1,723
Rest of the World	495	181	382
Total	12,038	9,840	22,357

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

Information regarding the results of the reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance. There are no material inter-segment transactions, however, when they do occur, pricing between segments is determined on an arm's length basis. Revenues disclosed below materially represent revenues to external customers.

	Six months ended 31 January 2015		
	UK & Rest of the World £000	Australia £000	Total £000
Revenues			
Total revenue for reportable segments	11,140	898	12,038
Consolidated revenue	11,140	898	12,038
Profit or loss			
Total profit or loss for reportable segments	3,341	90	3,431
Unallocated amounts:			
Share based payment charge	(329)	-	(329)
Depreciation	(181)	(31)	(212)
Amortisation of intangible assets	(357)	-	(357)
Interest receivable/payable(net)	13	(3)	10
Consolidated profit before tax	2,487	56	2,543

Six months ended 31 January 2014

	UK & Rest of the World £000	Australia £000	Total £000
Revenues			
Total revenue for reportable segments	9,028	812	9,840
Consolidated revenue	9,028	812	9,840
Profit or loss			
Total profit or loss for reportable segments	2,767	22	2,789
Unallocated amounts:			
Share based payment charge	(148)	-	(148)
Depreciation	(145)	(45)	(190)
Amortisation of intangible assets	(196)	-	(196)
Interest receivable/payable(net)	9	(6)	3
Consolidated profit/(loss) before tax	2,287	(29)	2,258

Year ended 31 July 2014

	UK & Rest of the World £000	Australia £000	Total £000
Revenues			
Total revenue for reportable segments	20,634	1,723	22,357
Consolidated revenue	20,634	1,723	22,357
Profit or loss			
Total profit or loss for reportable segments	5,295	139	5,434
Unallocated amounts:			
Share based payment charge	(315)	-	(315)
Other exceptional items	(31)	-	(31)
Depreciation	(339)	(92)	(431)
Amortisation of intangible assets	(460)	-	(460)
Interest receivable/payable(net)	17	(13)	4
Consolidated profit/(loss) before tax	4,167	34	4,201

31 January 2015

	UK & Rest of the World £'000	Australia £000	Total £000
Assets			
Total assets for reportable segments	17,190	643	17,833
Unallocated assets – intangible assets	10,367	-	10,367
Consolidated total assets	27,557	643	28,200
Liabilities			
Total liabilities for reportable segments	6,246	244	6,490
Unallocated liabilities – deferred tax	1,188	-	1,188
Consolidated total liabilities	7,434	244	7,678

31 January 2014

	UK & Rest of the World £'000	Australia £000	Total £000
Assets			
Total assets for reportable segments	13,112	752	13,864
Unallocated assets – intangible assets	5,871	-	5,871
Consolidated total assets	18,983	752	19,735
Liabilities			
Total liabilities for reportable segments	3,301	523	3,824
Unallocated liabilities – deferred tax	979	-	979
Consolidated total liabilities	4,280	523	4,803

31 July 2014

	UK & Rest of the World £'000	Australia £000	Total £000
Assets			
Total assets for reportable segments	14,686	628	15,314
Unallocated assets – intangible assets	10,724	-	10,724
Consolidated total assets	25,410	628	26,038
Liabilities			
Total liabilities for reportable segments	6,428	373	6,801
Unallocated liabilities – deferred tax	1,388	-	1,388
Consolidated total liabilities	7,816	373	8,189

5 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the Half Year to 31 January 2015 was based on the profit attributable to ordinary shareholders of £2,110,000 (Half Year to 31 January 2014: £1,715,000, Year ended 31 July 2014: £3,303,000) and a weighted average number of ordinary shares in issue of 26,370,000 (Half Year to 31 January 2014: 25,536,000, Year ended 31 July 2014: 25,608,000), calculated as follows:

Weighted average number of ordinary shares

In thousands of shares

	Six months ended 31 January 2015	Six months ended 31 January 2014	Year ended 31 July 2014
Issued ordinary shares at start of period	26,258	25,526	25,526
Effect of shares issued related to business combinations	-	-	26
Effect of shares issued for cash	112	10	56
Weighted average number of shares at end of period	26,370	25,536	25,608

Diluted earnings per share

The calculation of basic earnings per share for the Half Year to 31 January 2015 was based on the profit attributable to ordinary shareholders of £2,110,000 (Half Year to 31 January 2014: £1,715,000, Year ended 31 July 2014: £3,303,000) and a weighted average number of ordinary shares in issue after adjustment for the effects of all dilutive potential ordinary shares of 27,626,000 (Half Year to 31 January 2014: 26,647,000, Year ended 31 July 2014: 26,559,000):

Adjusted EPS

In addition, Adjusted Profit EPS is shown below on the grounds that it is a common metric used by the market in monitoring similar businesses. A reconciliation of this figure is provided below:

	Six months ended 31 January 2015 £'000	Six months ended 31 January 2014 £'000	Year ended 31 July 2014 £'000
Profit attributable to ordinary shareholders	2,110	1,715	3,303
Amortisation of intangible assets	357	196	460
Share-based payment charges	329	148	315
Exceptional items: Acquisition costs	-	-	31
Adjusted profit for EPS purposes	2,796	2,059	4,109

Weighted average number of ordinary shares

In thousands of shares

For the purposes of calculating Basic earnings per share	26,370	25,536	25,608
Adjustment for the effects of all dilutive potential ordinary shares	27,626	26,647	26,559
Basic adjusted earnings per share	10.60p	8.06p	16.05p
Diluted adjusted earnings per share	10.12p	7.73p	15.47p

6 Seasonality

The Group offers a range of products and services within its overall suite, meaning that revenues can fluctuate depending on the status and timing of certain sales. Some of these are exposed to high levels of seasonality: for example the data capture and counting revenues are derived from work taking place at certain times of the year, and revenues from condition monitoring are also driven by the size and timing of significant orders received from major customers. Similarly, the timing of software licence renewals and new sales along with consultancy offerings can also impact on when work is performed, revenues are delivered and therefore recognised. As such, the overall Group remains exposed to a high degree of seasonality throughout the year and reporting period.

7 Dividends

As part of the Group's commitment to a progressive dividend policy adopted in 2012, the Directors recommend an interim dividend payment of 0.40p per share, with a total expected value of c. £106K based on the number of shares in issue at the date of this interim report.

The cash cost of the dividend payments made is shown below:

	Six months ended 31 January 2015 £000	Six months ended 31 January 2014 £000	Year ended 31 July 2014 £000
Interim dividend for 2013/14 of 0.35p per share paid	-	-	89
Final dividend for 2012/13 of 0.40p per share paid	-	102	102
Total dividends paid	-	102	191

The dividends paid or proposed in respect of each financial year ended 31 July is as follows:

	2015 £000	2014 £000	2013 £000	2012 £000
Interim dividend for 2011/12 of 0.20p per share paid	-	-	-	48
Final dividend for 2011/12 of 0.35p per share paid	-	-	-	87
Interim dividend for 2012/13 of 0.30p per share paid	-	-	75	-
Final dividend for 2012/13 of 0.40p per share paid	-	-	102	-
Interim dividend for 2013/14 of 0.35p per share paid	-	89	-	-
Final dividend for 2013/14 of 0.45p per share paid	-	119	-	-
Interim dividend for 2014/15 of 0.40p per share proposed	106	-	-	-

8 Related party transactions

The following transactions took place during the year with other related parties:

	Purchase of goods and services			Amounts owed to related parties		
	H1 2015	H1 2014	FY 2014	H1 2015	H1 2014	FY 2014
	£'000	£'000	£'000	£'000	£'000	£'000
Leeds Innovation Centre Limited	38	35	71	7	6	6

Leeds Innovation Centre Limited is a company which is connected to The University of Leeds, a significant shareholder in Tracsis plc. Tracsis plc rents its office accommodation, along with related office services, from this company.

	Sale of goods and services			Amounts owed by related parties		
	H1 2015	H1 2014	FY 2014	H1 2015	H1 2014	FY 2014
	£'000	£'000	£'000	£'000	£'000	£'000
WSP Group	52	-	41	10	-	36
Parsons Brinckerhoff	315	-	-	-	-	-

WSP Group (WSP) is a company which is connected to Chris Cole who serves as non-executive Chairman of Tracsis plc and also of WSP. Sales to WSP took place at arm's length commercial rates, and were not connected to Mr Cole's position at WSP as the Group traded with WSP prior to his appointment at Tracsis in April 2014.

On 31 October 2014, WSP completed the acquisition of Parsons Brinckerhoff (PB) which made PB a related party of the Group from this date. One of the Group's subsidiary companies, (Sky High Technology Limited), traded extensively with PB prior to its acquisition by WSP as it carried out an agreement for a significant piece of data collection work for a UK transport agency which was entered into in May 2014. All transactions with PB took place at arm's length commercial rates, and were not connected to Mr Cole's position at WSP.

Disclosures in respect of sales to WSP as stated above have been made on the following basis:

H1 2014: WSP was not a related party for this period as Mr Cole was not appointed as a Director of Tracsis until 28 April 2014

FY 2014: Sales to WSP from 28 April 2014 being the date Mr Cole was appointed as a Director of Tracsis and WSP therefore became a related party to the Group

H1 2015: Sales to WSP since 1 August 2014, as WSP was a related party from this date, and sales to PB since 1 November 2014 as this is the date WSP acquired PB and therefore the date PB became a related party to the Group

Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that:

- i) The condensed consolidated interim financial information has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union; and
- ii) The interim management report includes a fair review of the information required by the FSA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Directors of Tracsis plc and their functions are listed below.

Further information for Shareholders

Company number:	05019106
Registered office:	Leeds Innovation Centre 103 Clarendon Road Leeds LS2 9DF
Directors:	Chris Cole (Non-Executive Chairman) John McArthur (Chief Executive Officer) Max Cawthra (Group Finance Director) John Nelson (Non-Executive Director) Charles Winward (Non-Executive Director) Sean Lippell (Non-Executive Director)
Company Secretary:	Max Cawthra