15 December 2017

Thruvision Group plc

("Thruvision" or the "Group")

Interim Results for the six months ended 30 September 2017

Thruvision (AIM: THRU) the specialist provider of people-screening technology to the international security market, announces its unaudited results for the six months ended 30 September 2017.

Key Highlights

- Completion of sale of Thruvision Group PLC's Video Business in October 2017 for a maximum consideration of £27.5 million
- Total Group revenues in six month period ending 30 September 2017 of £11.6 million (H1 2017: £13.3 million) with total Group loss before tax of £13.8 million (H1 2017: £5.1 million) of which £11.3 million relates to discontinued operations
- Thruvision revenues of £0.3 million (H1 2017: £0.6 million) with segment operating loss of £0.9 million (H1 2017: £0.4 million) and Central costs, which mainly relate to PLC overheads, of £1.6 million
- Thruvision trading better since completion of sale of Video Business early in H2
- Cash at 30 September of £2.5 million, with cash at 14 December of £17.3 million
- Process underway to return excess funds from sale to Shareholders

Commenting on the results, Tom Black, Chairman of Thruvision, said:

"With the sale of the Video Business successfully behind us, I am pleased that the new, more focused Group is starting to demonstrate good progress. Recent trading momentum has increased considerably relative to a few months ago and I remain confident that Thruvision is well placed to become a leader in the potentially large, international people-screening market. "

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About Thruvision

Thruvision Group plc is a specialist provider of people-screening technology that can detect weapons, explosives and contraband hidden under clothing. Developed with extensive support from the British and US Governments, Thruvision technology is operationally proven and is being used to enhance the security of transport hubs, borders, high profile buildings and public areas.

www.thruvision.com

Chairman's Statement

Update on significant recent changes to Group strategy

We recently reported significant changes to the Group's strategy, with the sale of the Group's Video Business, based around EdgeVis live video streaming technology, SmartVis video analytics and incorporating Brimtek in the US, to Volpi Capital LLP under the Digital Barriers brand. This has allowed the ongoing business to focus exclusively on its class-leading and highly innovative Thruvision people-screening technology.

The sale of the Video Business completed on 31 October 2017 for a maximum consideration of £27.5 million in cash, of which £25.5 million was paid on completion and the remaining £2.0 million is payable subject to the Video Business securing a specific trading contract within 12 months following completion. The process of separating the Video Business from the Group, under the terms of a Transitional Services Agreement and including working capital adjustments, is now underway.

Proceeds from the sale, after transaction related costs, were used to repay outstanding debt and to provide a robust balance sheet for the on-going Thruvision business. It remains the Board's intention, subject to appropriate legal and regulatory authorisations, to return excess cash to Shareholders. The necessary formalities to allow for this are now underway and the Board will update Shareholders in due course.

Thruvision strategy summary

Thruvision is a proven, people-screening technology for "stand-off" detection of weapons, explosives and contraband concealed under clothing. It is a specialist thermal camera, operating in the far infrared range of the electromagnetic spectrum, which sees concealed objects as relatively cold against warm bodies.

The Group acquired Thruvision in 2012. Since then, significant effort has been invested in taking what was a very early stage, pioneering technology to the point where today it has the following characteristics:

- **Operationally proven technology**: a solution to current counter-terrorism challenges which has been successfully used operationally by both the US Transportation Security Administration and G4S;
- **Limited competition and simplicity of deployment**: although there are many people-screening systems deployed globally, Thruvision has the great advantage of stand-off operation (i.e. with a detection range over 5 metres) and simple, standalone deployment, avoiding the need for complex integration into existing infrastructure; and
- **Multiple potential markets at an early stage of development**: Thruvision was originally developed for the counter-terrorism market protecting transport hubs, shopping malls, sports stadia and other busy public places but the technology has now also demonstrated applicability in other markets, namely customs applications (cash and narcotics smuggling) and loss-prevention (theft from warehouses).

The Board believes that a substantial new international market, measured in tens of thousands of units over the next five years is becoming available and that, with Thruvision's key differentiators now in place, there is an opportunity to drive rapid, organic and profitable growth.

People

We are also pleased to announce the appointment of Ian Lindsay as the Group's new Finance Director, who will join in March 2018. Ian brings to Thruvision his strong commercial technology experience from the telecoms sector and will help lead the strengthening of Thruvision's broader sales partnering given the significantly simplified accounting needs of the Group. I would like to thank Nick Deman, our current Interim Finance Director, for his excellent support.

Outlook

We have made some very significant changes to the structure of the Group during the period and we now have a leaner, more focused business, based upon patented and operationally-proven technology. Good progress has been made since the sale of the Video Business, and we have seen good order intake, a strengthening sales pipeline and continued engagement with governments in both the UK and the US. The Board remains confident that the Group is well placed to become an international market leader in people-screening technology.

Business Review

Thruvision

Thruvision revenues in H1 2018 were £0.3 million (H1 2017: £0.6 million) with a segment operating loss of £0.9 million (H1 2017: £0.4 million) and central costs, which mainly relate to PLC overheads of £1.6 million. Performance in the period was materially affected by the significant distraction of the Video Business sale process as almost all the sales and pre-sales personnel of the total Group were focused on Video Business related activities. However, notable successes in H1 2018 included the British Library, where Thruvision was selected to provide additional security in light of recent terrorist attacks in the UK, and the ongoing rollout of units into a major Asian mass transit customer.

Thruvision trading since completion of the sale of the Video Business has been good. Thruvision has been competitively selected for a fourth time by a major Asian customs agency for contraband detection. In addition, a new Middle East customer has placed a £0.6 million order for Thruvision units to strengthen its VIP security by detecting concealed firearms.

We have invested further in our sales force, adding several new heads in both the UK and US and we propose to continue expanding our sales capability during the remainder of the year.

We continue to work very closely with governments in both the UK and US. In the UK, we successfully participated in Home Office operational trials with a major entertainment operator, screening an average of 13,000 visitors per day over a two week period. In the US, we continue to work through the operational trials process with major rail and subway operators, and are soon to commence new trials with a number of airport infrastructure operators.

In addition we are strengthening the effectiveness of our security system integrator partnerships in Australia, Japan, Spain, Italy and Latin America. We continue to partner with Digital Barriers for certain other Asian countries and we expect to add new partners to cover Turkey and East Africa in the short term. We have also opened up a broader set of sales relationships in the UK where the terrorist attacks earlier in 2017 have caused heightened levels of interest.

At the international level, we continue to work closely with G4S in the UK, Europe and, most recently, the US. We have also started working with other international security integrators and expect to focus more on this aspect of our go-to-market strategy as momentum in the business continues to build.

Given confidence in our strengthening sales pipeline, work to diversify our supply chain in the UK and to include a US-based manufacturing partner has continued. This should ensure production capacity can keep pace with anticipated demand in the future and further ensure that we remove any single point of failure from our manufacturing process. Finally, we remain confident we can secure further R&D funding from our government customers to ensure we can organically expand the Thruvision product range in due course.

Discontinued operations

The Video Business reported revenues in the six month period ending 30 September 2017 of £11.2 million (H1 2017: £12.4 million) with a segment operating loss of £9.6 million (H1 2017: £3.2 million). Discontinued central costs were £1.8 million (H1 2017: £1.5 million), giving a total loss attributable to discontinued operations of £11.3 million (H1 2017: £4.9 million).

THRUVISION GROUP PLC
Consolidated income statement
for the six months ended 30 September 2017

	Note	**6 months ended 30 September 2017 Unaudited £'000**	6 months ended 30 September 2016 Unaudited £'000	Year ended 31 March 2017 Audited £'000
Continuing operations				
Revenue	2	**344**	602	2,024
Cost of sales		**(367)**	(328)	(1,146)
Gross profit		**(23)**	274	878
Administration costs		**(1,660)**	(1,863)	(2,933)
Operating loss		**(1,683)**	(1,589)	(2,055)
Finance revenue		**-**	1,309	1,870
Finance costs		**(749)**	(7)	(906)
Loss before tax		**(2,432)**	(287)	(1,091)
Income tax		**(22)**	182	242
Loss for the period / year from continuing operations		**(2,454)**	(105)	(849)
Discontinued operations				
Loss from discontinued operation (net of tax)		**(11,329)**	(4,853)	(15,831)
Loss for the period / year		**(13,783)**	(4,958)	(16,680)

Adjusted loss:	3			
Loss before tax from continuing operations		**(2,432)**	(287)	(1,091)
Amortisation of intangibles initially recognised on acquisition		**-**	52	98
Share-based payment	3	**35**	105	113
Financing set up fees		**263**	-	421
Adjusted loss before tax for the period / year from continuing operations		**(2,134)**	(130)	(459)

Loss per share – continuing operations				
Loss per share - basic	4	**(1.49p)**	(0.06p)	(0.51p)
Loss per share - diluted	4	**(1.49p)**	(0.06p)	(0.51p)
(Loss)/profit per share – adjusted	4	**(1.31p)**	0.03p	(0.13p)
(Loss)/profit per share - adjusted diluted	4	**(1.31p)**	0.03p	(0.13p)
(Loss) per share – continuing and discontinued operations				
Loss per share – basic		**(8.35p)**	(3.00p)	(10.10)
Loss per share - diluted		**(8.35p)**	(3.00p)	(10.10)

THRUVISION GROUP PLC
Consolidated statement of comprehensive income
for the six months ended 30 September 2017

	6 months ended 30 September 2017 Unaudited £'000	6 months ended 30 September 2016 Unaudited £'000	Year ended 31 March 2017 Audited £'000
Loss for the period / year from continuing operations	**(2,454)**	(105)	(849)
Loss for the period / year from discontinued operations	**(11,329)**	(4,853)	(15,831)
Loss for the period / year attributable to owners of the parent	**(13,783)**	(4,958)	(16,680)
Other comprehensive income from continuing operations			
Other comprehensive income that may be subsequently reclassified to profit and loss:			
Exchange differences on retranslation of foreign operations	**(926)**	464	746
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**(926)**	464	746
Total comprehensive loss attributable to owners of the parent	**(14,709)**	(4,494)	(15,934)

THRUVISION GROUP PLC
Consolidated statement of financial position
at 30 September 2017

	Note	**30 September 2017 Unaudited £'000**	30 September 2016 Unaudited £'000	31 March 2017 Audited £'000
Assets				
Non current assets				
Property, plant and equipment		**407**	1,025	1,132
Goodwill		**-**	24,196	17,076
Other intangible assets		**-**	11,519	11,380
		407	36,740	29,588
Current assets				
Inventories		**2,359**	6,647	8,018
Trade and other receivables		**877**	12,997	7,656
Other financial asset		**-**	425	-
Current tax recoverable		**145**	657	1,304
Cash and cash equivalents		**113**	3,409	1,002
		3,494	24,135	17,980
Assets classified as held for resale	10	**36,070**	-	-
Total assets		**39,971**	60,875	47,568
Equity and liabilities				
Attributable to owners of the parent				
Equity share capital	6	**1,814**	1,760	1,814
Share premium		**109,078**	109,078	109,078
Capital redemption reserve		**4,786**	4,786	4,786
Merger reserve		**454**	454	454
Translation reserve		**(925)**	(281)	1
Other reserves		**(307)**	(307)	(307)
Retained earnings		**(90,640)**	(65,184)	(76,912)
Total equity		**24,260**	50,306	38,914
Non current liabilities				
Deferred tax liabilities		**-**	39	620
Financial liabilities		**-**	1,080	-
Provisions		**62**	106	90
		62	1,225	710
Current liabilities				
Trade and other payables		**1,871**	7,549	7,908
Financial liabilities		**-**	1,759	-
Bank loan and overdraft		**-**	-	-
Provisions		**28**	36	36
		1,899	9,344	7,944
Liabilities directly associated with assets classified as held for sale	10	**13,750**	-	-
Total liabilities		**15,711**	10,569	8,654
Total equity and liabilities		**39,971**	60,875	47,568

THRUVISION GROUP PLC
Consolidated statement of changes in equity
for the 6 months ended 30 September 2017

	Ordinary share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Merger reserve £'000	Translation reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 31 March 2016	1,760	109,078	4,786	454	(745)	(307)	(60,656)	54,370
Loss for the period	-	-	-	-	-	-	(4,958)	(4,958)
Other comprehensive income	-	-	-	-	464	-	-	464
Total comprehensive loss	-	-	-	-	464	-	(4,958)	(4,494)
Share-based payment credit	-	-	-	-	-	-	430	430
At 30 September 2016	1,760	109,078	4,786	454	(281)	(307)	(65,184)	50,306
Loss for the period	-	-	-	-	-	-	(11,722)	(11,722)
Other comprehensive income	-	-	-	-	282	-	-	282
Total comprehensive loss	-	-	-	-	282	-	(11,722)	(11,440)
Incentive share conversion	54	-	-	-	-	-	-	54
Share-based payment charge	-	-	-	-	-	-	(6)	(6)
At 31 March 2017	1,814	109,078	4,786	454	1	(307)	(76,912)	38,914
Loss for the period	-	-	-	-	-	-	(13,783)	(13,783)
Other comprehensive income	-	-	-	-	(926)	-	-	(926)
Total comprehensive loss	-	-	-	-	(926)	-	(13,783)	(14,709)
Share-based payment credit	-	-	-	-	-	-	55	55
At 30 September 2017	**1,814**	**109,078**	**4,786**	**454**	**(925)**	**(307)**	**(90,640)**	**24,260**

THRUVISION GROUP PLC
Consolidated statement of cash flows
for the 6 months ended 30 September 2017

	6 months ended 30 September 2017 Unaudited £'000	6 months ended 30 September 2016 Unaudited £'000	Year ended 31 March 2017 Audited £'000
Operating activities			
Loss before tax from continuing operations	**(2,432)**	(287)	(1,091)
Loss before tax from discontinued operations	**(11,329)**	(4,853)	(15,831)
Loss before tax	**(13,761)**	(5,140)	(16,922)
Non-cash adjustment to reconcile loss before tax to net cash flows			
Depreciation of property, plant and equipment	**257**	206	481
Amortisation of intangible assets	**616**	902	1,588
Impairment of goodwill	**4,291**	-	7,500
Impairment of intangible assets	**-**	-	-
Share-based payment transaction expense	**55**	430	424
Unrealised gains on foreign exchange	**(71)**	(517)	(119)
Release of deferred consideration	**-**	-	(2,329)
Disposal of fixed assets	**26**	-	5
Recovery of purchase consideration	**(1,126)**	-	-
Finance income	**-**	(1,310)	(1,872)
Finance costs	**1,126**	323	1,081
Working capital adjustments:			
Decrease in trade and other receivables	**1,119**	701	5,582
Decrease / (increase) in inventories	**466**	(1,705)	(3,077)
Increase / (decrease) in trade and other payables	**795**	(1,791)	(840)
Increase / (decrease) in deferred revenue	**626**	214	(425)
Decrease in provisions	**(28)**	(14)	(29)
Cash utilised in operations	**(5,609)**	(7,701)	(8,952)
Interest paid	**-**	(8)	(8)
Tax received	**617**	546	523
Net cash flow from operating activities	**(4,992)**	(7,163)	(8,437)
Investing activities			
Purchase of property, plant & equipment	**(65)**	(377)	(760)
Expenditure on intangible assets	**(9)**	(7)	(32)
Interest received	**-**	8	19
Recovery of purchase consideration	**1,126**	-	288
Net cash flow from investing activities	**1,052**	(376)	(485)
Financing activities			
Finance costs	**-**	-	(549)
Bank loan	**5,442**	-	-
Net cash flow from financing activities	**5,442**	-	(549)
Net increase / (decrease) in cash and cash equivalents	**1,502**	(7,539)	(9,471)
Cash and cash equivalents at beginning of period / year	**1,002**	10,836	10,836
Effect of foreign exchange rate changes on cash and cash equivalents	**24**	112	(363)
Cash and cash equivalents at end of period / year	**2,528**	3,409	1,002

Reconciliation of net cash and cash equivalents			
Cash and cash equivalents (disclosed within current assets)	**113**	3,409	1,002
Cash held by disposal group (disclosed within assets classified as held for resale)	**2,415**	-	-
Net cash and cash equivalents at end of period / year	**2,528**	3,409	1,002

1. Accounting policies

Basis of preparation

The consolidated interim financial statements include those of Thruvision Group plc and all of its subsidiary undertakings (together "the Group") drawn up at 30 September 2017, and have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as adopted for use in the European Union ("EU"). The consolidated interim financial statements have been prepared using accounting policies and methods of computation consistent with those applied in the consolidated financial statements for the period ended 31 March 2017.

The Company is a public limited company incorporated and domiciled in England & Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange.

Accounting policies

The annual consolidated financial statements of the Group are prepared on the basis of International Financial Reporting Standards ("IFRS"). The consolidated interim financial statements are presented on a condensed basis as permitted by IAS 34 and therefore do not include all the disclosures that would otherwise be required in a full set of financial statements and should be read in conjunction with the most recent Annual Report and Accounts which were approved by the Board of Directors on 29 September 2017 and have been filed with Companies House. The condensed interim financial statements do not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 and are unaudited for all periods presented. The financial information for the 12-month period ended 31 March 2017 is extracted from the financial statements for that period. The auditors' report on those financial statements was unqualified and did not contain an emphasis of matter reference and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The half year results for the current period to 30 September 2017 have not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance of Review of Interim Financial Information.

The comparative statement of comprehensive income has been re-presented as if an operation discontinued during the prior year had been discontinued from the start of the comparative year.

Going concern

The Group's loss before tax from continuing operations for the period was £2.4 million (H117: £0.3 million). As at 30 September 2017 the Group had net current assets of £1.6 million (31 March 2017: £10.0 million) and net cash reserves of £0.1 million (31 March 2017: £1.0 million).

On 17 October 2016 the Group replaced an existing £5.0 million secured working capital facility for export activities with HSBC Bank Plc with a new two year £10.0 million secured revolving credit facility with Investec Bank plc. The funds available through this facility were used to meet the increasing working capital requirements of the Group's organic growth. The facility is secured by a fixed and floating charge over the Group's assets and includes covenants which are tested quarterly. On 28 September 2017 the Group arranged an unsecured £5.25 million loan facility with Herald Investment Trust to supplement the above facility for a period of 15 months, which has not been drawn on. These facilities have been factored in to cash flow projections for the Group.

On 7 October 2017 the Board signed an agreement for the disposal of the Video Business segment to Volpi Capital LLP for a maximum consideration payable of £27.5 million in cash of which £25.5 million was payable on completion (on a cash free/debt free basis) and the remaining £2.0 million is payable subject to the Video Business securing a specific trading contract within 12 months following completion. The cash proceeds from the sale, after related fees, are significantly greater than the funding requirements of the continuing operations for the period up to and including 14 December 2018. These cash balances have been factored in to cash flow projections for the Group.

The Board has reviewed these cash flow forecasts for the period up to and including 14 December 2018. These forecasts and projections take into account reasonably possible changes in trading performance and show that the Group will be able to operate within the level of current funding resources. The Directors therefore believe there is sufficient cash available to the Group to manage through these requirements.

As with all businesses, there are particular times of the year where the Group's working capital requirements are at their peak. However, the Group is well placed to manage business risk effectively and the Board reviews the Group's performance against budgets and forecasts on a regular basis to ensure action is taken where needed.

The Directors therefore are satisfied that the Group has adequate resources to continue operating for a period of at least 12 months from the approval of these accounts. For this reason, they have adopted the going concern basis in preparing the financial statements.

Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

2. Segmental information

Historically the Group has been organised into Services and Solutions. In light of the planned disposal of the Video Business when preparing the Annual Report for the year ended 31 March 2017, the directors believed that providing segment analysis that shows the Video Business as a separate segment to the Thruvision Business would aid readers of the Annual Report. Combined, the Video Business and Thruvision make up the previously reported Solutions segment. At 30 September the Video Business was classified as an asset held for sale, and is now reported as a discontinued operation.

Until the disposal of the segment, the Group's Services Division was predominantly focused on the UK market and integrated third party technology and own product into UK Services customers. The Services Division was no longer strategic to the Group, and therefore signed an agreement for the disposal of the business on 1 April 2016.

Until the disposal of the segment, the Group's 'Video Business' Division was focused on the advanced surveillance market. This covers image and data capture (for example, unattended ground sensors), a range of processing and enhancement techniques (for example, thermal image processing, image stabilisation, and enhancing low light performance), image transmission (both wired and wireless technologies) and a range of analytics algorithms.

The Group's Thruvision Business is focused on the stand-off passive body scanning technology.

In accordance with IFRS 8, the Group has derived the information for its operating segments using the information used by the Chief Operating Decision Maker and supplemented this with additional analysis to assist readers of the Annual Report to better understand the impact of the proposed divestment. The Group has identified the Board of Directors as the Chief Operating Decision Maker as it is responsible for the allocation of resources to operating segments and assessing their performance.

Historically central overheads, which primarily relate to operations of the Group function, are not allocated to the business units. On completion of the sale of the Video Business, some of these central costs will transfer with the Video Business or cease. Consistent with the reporting of the Video Business as a discontinued operation, these central costs have been classified as discontinued. Group financing (including finance costs and finance income) and income taxes are managed centrally and are not allocated to an operating segment. No operating segments have been aggregated to form the above reportable segments.

	6 months ended 30 September 2017					
	Services	Solutions		Central		
	Services Discontinued Unaudited £'000	Video Business Discontinued Unaudited £'000	Thruvision Continuing Unaudited £'000	Central Discontinued Unaudited £'000	Central Continuing Unaudited £'000	Total Unaudited £'000
Total segment revenue	-	**11,228**	**344**	-	-	**11,572**
Revenue	-	**11,228**	**344**	-	-	**11,572**
Depreciation	-	**173**	**84**	-	-	**257**
Segment adjusted operating loss	-	**(4,994)**	**(864)**	**(1,377)**	**(784)**	**(8,019)**
Amortisation of intangibles initially recognised on acquisition	-	**(616)**	-	-	-	**(616)**
Share based payment charge	-	-	-	**(20)**	**(35)**	**(55)**
Acquisition related income/(costs)	-	**1,126**	-	-	-	**1,126**
Restructuring costs	-	**(779)**	-	-	-	**(779)**
Impairment of goodwill and intangibles	-	**(4,291)**	-	-	-	**(4,291)**
Segment operating loss	-	**(9,554)**	**(864)**	**(1,397)**	**(819)**	**(12,634)**
Finance costs	-	-	-	**(378)**	**749)**	**(1,127)**
Segment loss before tax	-	**(9,554)**	**(864)**	**(1,775)**	**(1,568)**	**(13,761)**
Loss attributable to discontinued operations						**(11,329)**
Loss before tax from continuing operations						**(2,432)**
Income tax expense						**(22)**
Loss for the year from continuing operations						**(2,454)**

2. Segmental information (continued)

	6 months ended 30 September 2016					
	Services	Solutions		Central		
	Services Discontinued Unaudited £'000	Video Business Discontinued Unaudited £'000	Thruvision Continuing Unaudited £'000	Central Discontinued Unaudited £'000	Central Continuing Unaudited £'000	Total Unaudited £'000
Total segment revenue	244	12,435	602	-	-	13,281
Revenue	244	12,435	602	-	-	13,281
Depreciation	-	180	26	-	-	206
Segment adjusted operating loss	(192)	(2,889)	(318)	(829)	(1,114)	(5,342)
Amortisation of intangibles initially recognised on acquisition	-	(812)	(52)	-	-	(864)
Share based payment charge	-	-	-	(325)	(105)	(430)
Acquisition related income/(costs) and exceptional write off of bad debt	-	509	-	-	-	509
Segment operating loss	(192)	(3,192)	(370)	(1,154)	(1,219)	(6,127)
Finance income	-	-	-	1	1,309	1,310
Finance costs	-	-	-	(316)	(7)	(323)
Segment loss before tax	(192)	(3,192)	(370)	(1,469)	83	(5,140)
Loss attributable to discontinued operations						(4,853)
Loss before tax from continuing operations						(287)
Income tax credit						182
Loss for the year from continuing operations						(105)

	12 months ended 31 March 2017					
	Services	Solutions		Central		
	Services Discontinued Unaudited £'000	Video Business Discontinued Unaudited £'000	Thruvision Continuing Unaudited £'000	Central Discontinued Unaudited £'000	Central Continuing Unaudited £'000	Total Unaudited £'000
Total segment revenue	243	24,480	2,025	-	-	26,748
Inter-segment revenue	-	-	(1)	-	-	(1)
Revenue	243	24,480	2,024	-	-	26,747
Depreciation	-	385	96	-	-	481
Segment adjusted operating loss	(207)	(7,333)	(106)	(1,852)	(1,738)	(11,236)
Amortisation of intangibles initially recognised on acquisition	-	(1,411)	(98)	-	-	(1,509)
Share based payment charge	-	-	-	(311)	(113)	(424)
Acquisition related income	-	-	-	627	-	627
Impairment of goodwill and intangibles	-	(7,500)	-	-	-	(7,500)
Release of deferred consideration	-	-	-	2,329	-	2,329
Segment operating loss	(207)	(16,244)	(204)	793	(1,851)	(17,713)
Finance income	-	-	-	2	1,870	1,872
Finance costs	-	-	-	(175)	(906)	(1,081)
Segment loss before tax	(207)	(16,244)	(204)	620	(887)	(16,922)
Loss attributable to discontinued operations						(15,831)
Loss before tax from continuing operations						(1,091)
Income tax credit						242
Loss for the year from continuing operations						(849)

2. Segmental information (continued)

Analysis of revenue from continuing operations by customer

There have been three (H117: one) individually material customers in the Thruvision operating segment during the period representing £307,000 of revenue (H117: £530,000).

The Group's non-current assets by geography are detailed below:

	30 September 2017 Unaudited £'000	30 September 2016 Unaudited £'000	31 March 2017 Audited £'000
United Kingdom	**407**	16,521	8,945
United States of America	**-**	20,219	20,643
	407	36,740	29,588

3. Adjusted loss before tax

An adjusted loss before tax measure has been presented as the Directors believe that this is a more relevant measure of the Group's underlying performance. Adjusted loss is not defined under IFRS and has been shown as the Directors consider this to be helpful for a better understanding of the performance of the Group's underlying business. It may not be comparable with similarly titled measurements reported by other companies and is not intended to be a substitute for, or superior to, IFRS measures of profit. The net adjustments to loss before tax from continuing operations are summarised below:

	6 months ended 30 September 2017 Unaudited £'000	6 months ended 30 September 2016 Unaudited £'000	Year ended 31 March 2017 Audited £'000
Amortisation of intangibles initially recognised on acquisition	**-**	52	98
Share-based payment (i)	**35**	105	113
Financing set-up costs (ii)	**263**	-	421
Total adjustments	**298**	157	632

(i) The performance condition associated with LTIP awards made from July 2015 are subject to a non-market based performance measure. Accordingly, should these LTIP awards fail to vest, the share based payment charge will be added back to the income statement. Historic LTIP awards have been made with a market based performance measure which in the event that LTIPs fail to vest the share based payment charge is not added back to the income statement. To date the majority of historic LTIP awards have failed to vest. The inclusion provides consistency over time allowing a better understanding of the financial position of the Group.

(ii) On 28 September 2017 the Group arranged an unsecured £5.25 million loan facility with Herald Investment Trust, incurring legal and set up fees. During the year ended 31 March 2017 the Group obtained a facility with Investec Bank plc, incurring legal and set up fees.

4. Loss per share

The following reflects the loss and share data used in the basic and diluted loss per share calculations:

	6 months ended 30 September 2017 Unaudited £'000	6 months ended 30 September 2016 Unaudited £'000	Year ended 31 March 2017 Audited £'000
Loss from continuing operations attributable to ordinary shareholders	**(2,454)**	(105)	(849)
Loss from continuing and discontinued operations attributable to ordinary shareholders	**(13,783)**	(4,958)	(16,680)
Weighted average number of shares	165,130,024	165,111,309	165,120,640
Basic and diluted loss per share – continuing operations	**(1.49p)**	(0.06p)	(0.51p)
Basic and diluted loss per share – continuing and discontinued operations	**(8.35p)**	(3.00p)	(10.10p)

	6 months ended 30 September 2017 Unaudited £'000	6 months ended 30 September 2016 Unaudited £'000	Year ended 31 March 2017 Audited £'000
Loss from continuing operations attributable to ordinary shareholders	**(2,454)**	(105)	(849)
Amortisation of intangibles	**-**	52	98
Share-based payment	**35**	105	113
Financing set up fees	**263**	-	421
Adjusted (loss)/profit after tax	**(2,156)**	52	(217)
Weighted average number of shares	165,130,024	165,111,309	165,120,640
Basic and diluted loss per share	**(1.49p)**	(0.06p)	(0.51p)
Basic and diluted adjusted (loss)/profit per share	**(1.31p)**	0.03p	(0.13p)

The inclusion of potential Ordinary Shares arising from LTIPs and Incentive Shares would be anti-dilutive. Basic and diluted loss per share has therefore been calculated using the same weighted number of shares.

5. Goodwill

Carrying amount of goodwill allocated to operating segments:

	6 months ended 30 September 2017 Unaudited £'000	6 months ended 30 September 2016 Unaudited £'000	Year ended 31 March 2017 Audited £'000
Video Business	**12,151**	24,196	17,076
Thruvision	**-**	-	-
Goodwill	**12,151**	24,196	17,076

Historically the Group has been organised into Services and Solutions. In light of the planned disposal of the Video Business when preparing the Annual Report for the year ended 31 March 2017, the directors believed that providing segment analysis that shows the Video Business as a separate segment to the Thruvision Business would aid readers of the Annual Report. Combined, the Video Business and Thruvision make up the previously reported Solutions segment. Consequently goodwill acquired through business combinations has been allocated for impairment testing purposes. These segments are deemed to be the two cash-generating units ('CGUs') for impairment testing.

5. Goodwill (continued)

The Group conducts annual impairment tests on the carrying value of the CGUs in the statement of financial position as at 28 February each year. Impairment testing is only re-performed if an impairment triggering event occurs in the intervening period. As a result of the proposed divestment the impairment review conducted at the annual testing date was revisited in the Annual Report for the year ended 31 March 2017.

Following the classification of the disposal group as held for sale, the recoverable amount of the Video Business CGU as at 30 September 2017 was based on fair value less costs of disposal. Fair value was assessed based on the agreed consideration for the Video Business, and as a result an impairment of £4.3 million in the carrying amount of goodwill was required.

The movement in goodwill in the period is a result of foreign exchange movement (decrease £0.6m) and the impairment of £4.3m. Goodwill is now held on the balance sheet as a component of Assets held for sale.

6. Issued share capital

As at 30 September 2017, there were 165,130,024 Ordinary Shares in issue (30 September 2016: 165,130,024, 31 March 2017: 165,130,024). In addition, there were 163,124 Deferred Shares in issue (30 September 2016: 108,749, 31 March 2017: 163,124).

7. Share options

No share awards were granted in the period.

The following share awards were granted in the period ended 30 September 2016:

	HMRC Approved Options July 2016	Parallel Options July 2016	Top-Up awards July 2016	Part A awards July 2016	Sharesave options July 2016
Number granted	344,214	344,214	1,493,286	305,000	1,717,853
Fair value per option/award	£0.16	£0.32	£0.48	£0.48	£0.22
Exercise price	£0.48	nil	nil	nil	£0.31
Vesting period (years)	3.0	3.0	3.0	3.0	3.0

The vesting and exercise of share awards are subject to certain performance conditions relating to revenue and profit in the performance period.

The share-based payment charge in the period amounts to £0.1 million (H117: £0.4 million), with the fair value charge attributable to new awards in the period determined using a Black Scholes calculation. Share option awards made prior to 2015 have been made with a market based performance measure which in the event that LTIPS fail to vest the share-based payment charge is not added back to the income statement. To date the majority of these historic LTIP awards have failed to vest.

8. Related party transactions

On 28 July 2016 the Remuneration Committee of the Group made a conditional award to Colin Evans, Zak Doffman and Sharon Cooper, under the rules of The Digital Barriers Long Term Incentive Plan (the "Plan"). The vesting and exercise of these awards are subject to certain performance conditions relating to revenue and profit in the performance period.

	Top-up award (no of shares)
Colin Evans	250,000
Zak Doffman	500,000
Sharon Cooper	200,000

Full details of the plan can be found in the 2016 Annual Report on page 34.

No further awards were made in six months ended 30 September 2017.

9. Financial instruments

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group have a Level 3 financial liability of £nil (H117: £2.2 million) following the release of deferred consideration measured at fair value following the acquisition of Brimtek Inc.

The Group have a Level 2 financial liability of £nil (H117: £0.3 million) of financial swap measured at fair value. The fair values of other financial assets and liabilities, which are short term, are not disclosed as the Directors estimate that the carrying amount of the financial assets and liabilities are not significantly different to their fair value. These financial assets and liabilities are carried at amortised cost.

10. Disposal group classified as held for sale

Video Business

As reported in the 2017 Annual Report, the Board undertook a far-reaching internal review of the Group in early 2017. As a result of the review, the Board concluded that a sale of the Video Business would be in the best interests of the Group. A sale process was undertaken, managed by Investec Bank plc, which involved approaching a full range of potential trade and financial buyers. Following a multi-staged and competitive process, the Board received a number of indicative offers from interested parties. The disposal group was classified as held for sale in September 2017.

The sale completed on 31 October 2017.

In the six months ended 30 September 2017 revenues attributable to the disposal group amounted to £11.2 million (H117: £12.4 million, FY17: £24.5 million) with a loss attributable to the disposal group of £11.3m (H117: £4.7 million, FY17: £15.8 million).

Services segment

On 1 April 2016 the Board signed an agreement for the proposed disposal of the Services segment to its existing management team for £1. This followed the view that the Board believed the Services division was no longer strategic to the Group's future. The disposal group was classified as held for sale in March 2016.

The sale completed on 19 May 2016.

The sale included limited ongoing customer contracts associated with the Services segment, as well as certain assets including vehicle leases and limited stock and moveable assets. The book value of the assets transferred was £0.1 million. In connection with the sale the Group transferred the division's employees, by way of a TUPE process.

In the six months ended 30 September 2017 revenues attributable to the disposal group amounted to £nil (H117: £0.2 million, FY17: £0.2 million) with a loss attributable to the disposal group of £nil (H117: £0.2 million, FY17: £0.2 million). Full details on the income statement and cash flows attributable to the disposal group for the year ended 31 March 2017 are disclosed in note 26 on page 80 of the 2017 Annual Report.

The basic and diluted loss per share from discontinued operations for the six months ended 30 September 2017 is 6.86 pence (H117: 2.94 pence, FY17: 9.59 pence) based on 165,130,024 (H117: 165,111,309, FY17: 165,120,640) weighted average shares in issue. The inclusion of potential Ordinary Shares arising from LTIPs and Incentive Shares would be anti-dilutive. Basic and diluted loss per share has therefore been calculated using the same weighted number of shares.

11. Post balance sheet event

On 9 October 2017 the Group announced the agreed sale of the Video Business to Volpi Capital LLP for consideration of £27.5 million in cash of which £25.5 million was payable on Completion (on a cash free/debt free basis) and the remaining £2.0 million is payable subject to the Video Business securing a specific trading contract within 12 months following Completion. Further smaller amounts may become payable in the future in relation to certain items of working capital. A General Meeting of the Company was held on 26 October 2017 where a resolution to approve the sale was approved by shareholders and the transaction completed on 31 October 2017.