15 September 2015

RESTORE PLC
Half Year Results 2015

Restore plc ("Restore" or "the Company"), the UK office services provider, announces its unaudited half year results for the six month period ended 30 June 2015.

Financial Highlights:

ADJUSTED RESULTS	HY 2015	HY 2014	% Change
Revenue (£m)	43.9	30.6	+43
EBITDA (£m)*	9.0	6.2	+45
Operating profit (£m)*	7.7	5.4	+43
Profit before tax (£m) *	7.1	5.0	+42
EPS (p) **	6.8	5.2	+31
Dividend per share (p)	1.0	0.8	+25
Net debt (£m)	30.4	22.2	

** Before amortisation of intangible assets, exceptional items (including exceptional finance costs), share based payments charge and other finance costs*
*** Calculated based on the weighted average shares in issue and a standard tax charge*

UNADJUSTED RESULTS	HY 2015	HY 2014
Operating profit (£m)	3.5	3.7
Profit before tax (£m)	2.9	3.3
Basic EPS (p)	2.9	3.5

Summary:

- Group revenue up 43% to £43.9m
- Document Management revenue up 73%; adjusted operating profit up 40%
- Relocations revenue up 11%; adjusted operating profit up 20%
- Group adjusted profit before tax up 42% to £7.1m
- Adjusted earnings per share up 31% to 6.8p
- Dividend per share up 25% to 1.0p
- Strong organic box growth in records management; Cintas integration largely complete
- One acquisition completed in H1, with a further three subsequently completed including ITP, the UK leader in empty printer cartridge collection

Commenting on the results Charles Skinner, Chief Executive, said:

"We continued to make good operational and financial progress in the first half with records management, the key driver of Group performance, benefiting from strong organic box growth and the on-schedule integration of the Cintas business acquired last year. Our Relocations division traded well in what is traditionally its seasonally weaker first half, and continued to benefit from improved operational efficiencies and the expansion of our service offering.

We will continue to pursue our strategy of organic and acquisitive growth and we are well positioned to gain further market share across all of our businesses. We have taken swift action to improve the profitability of our scanning business, which includes the arrival of a new managing director with the acquisition of Crimson and the signing yesterday of a significant contract with NDA Archives. The recent addition of ITP, the UK's leading collector of empty printing cartridges, further enlarges the offering of our Relocations division to support its delivery of double-digit operating margins.

The second half has started well and we remain confident of making further progress in the remainder of 2015 to deliver a full year performance in line with current market expectations."

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CHIEF EXECUTIVE'S REVIEW

SUMMARY

Restore continued to record strong growth in turnover and profit in the first half of 2015. Revenues were £43.9m, an increase of 43%, the majority of which derived from acquisitions made in 2014, most notably Cintas UK ("Cintas"). Adjusted profit before tax increased by 42% to £7.1m and adjusted earnings per share increased by 31% to 6.8p.

During the period, our Document Management division continued to trade satisfactorily overall, with adjusted operating profit of £7.4m (2014: £5.3m) on turnover of £27.7m (2014: £16.0m). The core records management business accounted for the majority of this and it remains the key driver of Group profits with secure revenues, good margins and steady growth. Net box growth in the core business, excluding the Cintas acquisition, continued to be strong. The restructuring and integration of the Cintas records management business was a major area of focus during the period, and this progressed in line with our expectations at the time of acquisition, with the business making its anticipated contribution to first half Group profits. Restore Shred continued to show organic growth and the integration of Cannon Confidential, acquired in June 2014, has now been completed. Restore Scan, which primarily comprises the old Cintas scanning business, experienced significant technical problems on its major seasonal contract in the first half. This led to cost over-runs and a significant underperformance against budget.

Our Relocations division traded well in the first half. The division's revenue in the period was £16.2m (2014: £14.6m) and adjusted operating profit was £1.2m (2014: £1.0m) in what is its seasonally weaker half. Harrow Green, which comprises the majority of the division's activities, traded satisfactorily and both Relocom and Restore IT Efficient showed year-on-year improvement.

During the period, the Group acquired Ancora Solutions, an Ipswich-based records management business. Subsequent to the end of the first half, three further acquisitions were made:

- ITP Group, the UK's leading empty printer cartridge collector, was acquired in July. This broadens the range of services we can offer our customers and fits closely with Restore IT Efficient
- Data Imaging and Archiving, predominantly a London-based records management business, was acquired in August
- Crimson, a scanning business based in Greater Manchester, was acquired in August. This not only brings a stable revenue stream into Restore Scan but will strengthen our scanning management team.

The Board has announced a 25% increase in interim dividend to 1.0p (2014: 0.8p), reflecting the strength of the Group's performance and prospects.

RESULTS

Adjusted operating profit for the six months to 30 June 2015 before exceptional items, amortisation and share based payments was £7.7m (2014: £5.4m). Adjusted profit before tax before exceptional items, amortisation, share based payments and other finance costs was £7.1m (2014: £5.0m) on sales of £43.9m (2014: £30.6m). Adjusted earnings per share for the period were 6.8p (2014: 5.2p).

On an unadjusted basis operating profit was £3.5m (2014: £3.7m) and profit before tax was £2.9m (2014: £3.3m). Unadjusted earnings per share were 2.9p (2014: 3.5p). Exceptional items in the period relating to acquisitions, including restructuring, redundancy and transaction costs, were £2.2m, primarily related to the Cintas UK acquisition; this is in line with expectations at the time of the acquisition. Details of exceptional items are set out in Note 2 below and include certain costs and a provision against potential costs on Restore Scan's major contract referred to above.

DOCUMENT MANAGEMENT

Our Document Management division primarily comprises the Restore records management business. It also offers shredding and scanning services through Restore Shred and Restore Scan, both of which have undergone significant change over the last year. All three businesses and the Relocations division share a similar customer base. A key factor in the development of the Group has been maintaining the same customer relationship management system for all of our businesses to ensure that all appropriate services that we supply are offered to all existing and potential customers across the Group.

For the period the division achieved an adjusted operating profit of £7.4m (2014: £5.3m) on turnover of £27.7m (2014: £16.0m). The decline in operating margin for the division reflected the lower proportion of revenue deriving from the higher margin records management activity.

Records Management

Our core records management business continued to trade well, with much of the operational focus being on the integration of Cintas's operations. Excluding Cintas, net box growth ran at an annualised rate of 8%, ahead of our expectations and the highest rate we have seen for several years. Both organic growth, defined as increase in box numbers from existing customers, and new sales, defined as box intake from new customers, were strong, while the level of permanent retrievals and box destructions were in line with expectations. As anticipated, the Cintas business showed limited growth due to a significant customer exit and low new box sales, reflecting its reduced sales activity in the period immediately prior to its acquisition.

The Cintas integration is now largely complete with the remaining element being the transfer of its IT systems onto the Restore IT system, which is scheduled for completion during the second half. Significant cost savings in line with expectations have been achieved and, as targeted, operating margins at Cintas are moving closer to those achieved in Restore's business. The costs of the integration, including redundancies, box movements to optimise property utilisation and short-term double-running costs, were as expected. As part of the integration, we have exited three sites in Manchester, Leeds and Tewkesbury. Capacity levels across the business are now in excess of 90 per cent.

The new district developed at our underground freehold site in Wiltshire has been steadily filling up and we are now proceeding with plans to develop another similar-sized district within the site to create additional capacity. Following the acquisition of Ancora in Ipswich at the beginning of the year, we now have a presence in East Anglia where we have recently leased three hardened aircraft shelters similar to those which we occupy in Upper Heyford, Oxfordshire; these are very suitable for records management both in terms of design and cost-efficiency.

We are well-established as the second largest records management business in the UK with revenues approximately twice those of the next largest operator. Records management is an attractive business with strong operating margins and earnings visibility, as well as high barriers to entry. Our business continues to represent an excellent platform for growth, particularly through acquisition where we have consistently achieved considerable cost synergies. We intend to continue to be active in consolidating the UK records management market.

Shredding

Restore Shred, our secure shredding and recycling business, operated profitably in the period. Following the acquisition of Cannon Confidential last year and the closure and transfer of work from sites in Worcestershire and South London, together with the implementation of a new IT system, it now has six sites across mainland Britain and the appropriate structure and critical mass to become a strong national operator. It has sufficient work to sustain this network but needs increased volumes to achieve industry-leading operating margins. We will continue to focus on delivering further increases in revenue, in large part from winning contracts with existing group customers.

Scanning

Restore Scan, our document scanning business, primarily comprises the former Cintas scanning business. It significantly underperformed against budget during the period. There were cost over-runs on its major seasonal contract, as well as significant technical problems which impacted other operations within Restore Scan. Excluding the major seasonal contract, the business has also experienced delays beyond our control in the execution of other major projects, resulting in cost inefficiencies.

Scanning forms a core part of our service offering and we are confident that, after some difficult months in the post-acquisition period of the Cintas scanning business, we can sharply improve the business's performance. As part of this process, the managing director of Crimson, the scanning business we acquired in August, has been appointed to manage Restore Scan. We are pleased to report also that, through Crimson, we have now signed a significant contract with NDA Archives Limited, a subsidiary of the Nuclear Decommissioning Authority

(“NDA”), under which Crimson has been appointed as the commercial partner to set up and manage the UK’s new Nuclear Archive. The contract is expected to generate annual scanning revenues in excess of £1m a year for the next five years, as well as generating opportunities with the NDA for other parts of our Group.

RELOCATIONS

Our Relocations division predominantly comprises Harrow Green, the UK market leader in office relocation. Global Moving Solutions, an international removal service typically servicing professional staff being relocated internationally, is part of Harrow Green. The division also includes Relocom, the IT relocation business in which we have an 83% shareholding, and Restore IT Efficient, our IT asset disposal and recycling business. The division also now includes ITP Group (“ITP”), the UK’s leading empty printing cartridge collector, which was acquired in July. With the addition of ITP, the division now has a very strong offering which we believe should enable it to exceed our target divisional operating margin of 10 per cent.

During the period, which is the seasonally weaker half of the year for Harrow Green, the division recorded an adjusted operating profit of £1.2m (2014: £1.0m) on turnover of £16.2m (2014: £14.6m).

Harrow Green

Harrow Green traded well, with its performance in line with the strong comparative prior year period despite having fewer major projects in the first half. It operated profitably in every month of the period including January and February which have often been loss-making; this reflects the tight overhead control now in place and strong management of gross margins.

The London market remained busy and we saw a slight improvement in operating margins in what is a very competitive market. Our regional offices, including our most recently opened branch in Hampshire, all made a good contribution. The large multi-year contract for work with the Ministry of Defence which commenced in December last year is progressing smoothly, with volumes to date exceeding our initial estimates. The markets in which Harrow Green operates have remained generally strong and it continues to build on its UK market leadership.

Global Moving Solutions traded satisfactorily and in line with last year’s performance.

Relocom

Relocom also traded well, with revenue and profit comfortably ahead of the prior year. The improved performance of the business has been assisted by the relocation of its head office to Restore IT Efficient’s premises in Bedfordshire and its closer coordination with other parts of the Relocations division following Restore’s acquisition of a majority stake in Relocom last year.

IT Asset Disposal

Restore IT Efficient increased revenue and profit margin on the same period last year. More detailed product tracking has been installed in the business so that we can understand the profitability of individual equipment collections and adjust charges accordingly. The business is working closely with the recently acquired ITP whose services also fit well with Relocom and Restore Shred.

GROUP

Central costs for the period were in line with last year and now represent approximately 2% of Group revenues.

BALANCE SHEET

Net bank debt on 30 June 2015 was £30.4m (30 June 2014: £22.2m). The increase reflects cost of acquisitions undertaken in the second half of 2014 of which Cintas was the largest. Net debt has fallen slightly in the first half of the year. Property, plant and equipment values increased as we continue to invest in new storage capacity in the records management business and equipment to service new contracts in the scanning business.

CASH FLOW

The net cash generated from operations before capital expenditure was £4.6m (2014: £2.5m). This includes an adverse working capital movement of £1.5m driven by the increase in trade and other receivables on the seasonal scanning contract which has been partially offset by an increase in trade and other payables. Capital expenditure totalled £2.5m (2014: £1.4m) compared to depreciation of £1.3m (2014: £0.8m). Net bank interest paid amounted to £0.5m (2014: £0.4m).

DIVIDENDS

The Board has declared an interim dividend of 1.0p per share (2014: 0.8p). The interim dividend will be paid on 13 November 2015 to shareholders on the register on 16 October 2015. The company paid its first dividend in 2012 and the increased interim dividend is in line with the Board's intention to follow a progressive dividend policy.

PEOPLE

Our Group has continued to increase in scale and now employs over 1,000 people. During the period we have reorganised our human resources operation with the appointment of a Group HR director to reflect the increased scale of the Group.

We are establishing ever stronger businesses which over time provide more opportunity and stability for our workforce. However, a business that has grown rapidly, particularly through acquisition, creates many challenges for its people with many managerial and operational roles undergoing changes in responsibility. I am delighted in how our people have adjusted to these changes and their commitment to the business. I thank all our people for their contribution to the Group's impressive performance and look forward to them sharing in the Group's continuing success.

The introduction of the national living wage is expected to have a limited impact on most of the Group's activities. Of those businesses where there could be an impact, much of Harrow Green's pricing has been based, with customers' consent, on the living wage and we expect that any implications for our cost base deriving from the change generally will be costed on to our customers. In Restore Scan, we also expect that prices will increase to cover the increase in cost of preparation of documents for scanning, although overseas outsourcing of data processing will inevitably become more attractive.

OUTLOOK

We will continue to pursue our strategy of organic and acquisitive growth and are we are well positioned to gain further market share across all of our businesses.

The second half has started well and we remain confident of making further progress in the remainder of 2015 to deliver a full year performance in line with current market expectations.

Charles Skinner

Chief Executive 15 September 2015

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2015

	Note	Unaudited six months ended 30 June 2015 £'m	Unaudited six months ended 30 June 2014 £'m	Audited year ended 31 December 2014 £'m
Revenue	2	43.9	30.6	67.5
Cost of sales		(27.7)	(20.5)	(43.8)
Gross profit		16.2	10.1	23.7
Administrative expenses		(9.8)	(5.9)	(13.7)
Exceptional items - operating costs	2	(2.9)	(0.5)	(3.1)
Total operating costs		(12.7)	(6.4)	(16.8)
Operating profit	2	3.5	3.7	6.9
Finance costs		(0.6)	(0.4)	(0.8)
Profit before tax		2.9	3.3	6.1
Income tax expense	3	(0.5)	(0.7)	(1.2)
Profit and total comprehensive income for the period attributable to owners of the parent		2.4	2.6	4.9
Earnings per share (pence)				
Basic	4	2.9	3.5	6.4
Diluted	4	2.7	3.3	6.0

Consolidated Statement of Changes in Equity
For the six months ended 30 June 2015

		Attributable to owners of the parent			
	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	£'m	£'m	£'m	£'m	£'m
Balance at 1 January 2014	3.7	21.3	1.9	20.2	47.1
Profit for the period	-	-	-	2.6	2.6
Total comprehensive income for the period	-	-	-	2.6	2.6
Transactions with owners					
Dividends	-	-	-	(1.0)	(1.0)
Share based payments charge	-	-	0.5	-	0.5
Balance at 30 June 2014 (unaudited)	3.7	21.3	2.4	21.8	49.2
Balance at 1 July 2014	3.7	21.3	2.4	21.8	49.2
Profit for the period	-	-	-	2.3	2.3
Total comprehensive income for the period	-	-	-	2.3	2.3
Transactions with owners	-	-	-	-	-
Issue of shares during the period	0.4	14.6	-	-	15.0
Issue costs	-	(0.6)	-	-	(0.6)
Dividends	-	-	-	(0.6)	(0.6)
Transfers	-	-	(0.3)	0.3	-
Share based payments charge	-	-	1.2	-	1.2
Deferred tax on share based payments	-	-	0.5	-	0.5
Balance at 31 December 2014	4.1	35.3	3.8	23.8	67.0
Balance at 1 January 2015	4.1	35.3	3.8	23.8	67.0
Profit for the period	-	-	-	2.4	2.4
Total comprehensive income for the period	-	-	-	2.4	2.4
Transactions with owners					
Dividends	-	-	-	(1.4)	(1.4)
Share based payments charge	-	-	0.2	-	0.2
Deferred tax on share based payments	-	-	0.1	-	0.1
Balance at 30 June 2015 (unaudited)	4.1	35.3	4.1	24.8	68.3

Condensed Consolidated Statement of Financial Position

At 30 June 2015

	Note	Unaudited 30 June 2015	Unaudited 30 June 2014	Audited 31 December 2014
		£'m	£'m	£'m
Assets				
Non-current assets				
Intangible assets	7	71.0	47.8	68.9
Property, plant and equipment		31.0	22.0	30.2
Deferred tax asset		4.7	2.0	4.2
		106.7	71.8	103.3
Current assets				
Inventories		0.5	0.4	0.6
Trade and other receivables		29.9	22.2	24.7
Cash and cash equivalents		12.3	4.2	6.9
		42.7	26.8	32.2
Total assets		149.4	98.6	135.5
Liabilities				
Current liabilities				
Trade and other payables		(21.2)	(15.0)	(15.2)
Financial liabilities - borrowings	8	(2.9)	(0.4)	(3.7)
Other financial liabilities		(0.1)	(0.2)	-
Current tax liabilities		(0.8)	(0.8)	(0.6)
Provisions		(0.9)	(0.4)	(1.0)
		(25.9)	(16.8)	(20.5)
Non-current liabilities				
Financial liabilities - borrowings	8	(39.8)	(26.0)	(34.1)
Other long term liabilities		(0.7)	-	(1.2)
Other financial liabilities		(0.2)	-	(0.3)
Deferred tax liabilities		(7.2)	(4.9)	(6.2)
Provisions		(7.3)	(1.7)	(6.2)
		(55.2)	(32.6)	(48.0)
Total liabilities		(81.1)	(49.4)	(68.5)
Net assets		68.3	49.2	67.0
Equity				
Share capital		4.1	3.7	4.1
Share premium account		35.3	21.3	35.3
Other reserves		4.1	2.4	3.8
Retained earnings		24.8	21.8	23.8
Equity attributable to owners of parent		68.3	49.2	67.0

Consolidated Statement of Cash Flows
For the six months ended 30 June 2015

	Note	Unaudited Six months ended 30 June 2015 £'m	Unaudited Six months ended 30 June 2014 £'m	Audited Year ended 31 December 2014 £'m
Net cash generated from operations	5	4.6	2.5	5.6
Net finance costs		(0.5)	(0.4)	(0.9)
Income taxes paid		(0.3)	(0.4)	(1.0)
Net cash generated from operating activities		3.8	1.7	3.7
Cash flows from investing activities				
Purchases of property, plant and equipment and applications software	2	(2.5)	(1.4)	(3.6)
Purchase of subsidiary including acquisition costs, net of cash acquired	6	(0.7)	(6.4)	(28.9)
Sale of subsidiary, net of cash disposed		-	-	1.2
Cash flows used in investing activities		(3.2)	(7.8)	(31.3)
Cash flows from financing activities				
Proceeds from share issues		-	-	14.4
Dividends paid		-	-	(1.6)
Repayment of borrowings		(1.6)	-	(16.0)
Drawdown of revolving credit facility		6.5	-	21.9
New bank loans raised		-	10.3	15.0
Increase in bank overdrafts		(0.1)	0.4	0.9
Finance lease principal repayments		-	(0.1)	(0.1)
Net cash generated in financing activities		4.8	10.6	34.5
Net increase in cash and cash equivalents		5.4	4.5	6.9
Cash and cash equivalents at start of period		6.9	(0.3)	-
Cash and cash equivalents at the end of period		12.3	4.2	6.9
Cash and cash equivalents shown above comprise:				
Cash at bank		12.3	4.2	6.9

Notes to the Consolidated Interim report
For the six months ended 30 June 2015

1 Basis of preparation

The condensed consolidated interim financial information for the half year ended 30 June 2015 was approved by the Board of Directors and authorised for issue on 15 September 2015. The disclosed figures are not statutory accounts in terms of Section 435 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2014, on which the auditors gave an audit report which was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006, have been filed with the Registrar of Companies. The annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union.

This half-yearly report has been prepared on a basis consistent with the accounting policies expected to be applied for the year ended 31 December 2015, and uses the same accounting policies and methods of computation applied for the year ended 31 December 2014.

There were no new relevant standards or interpretations to be adopted for the six months ended 30 June 2015.

2 Segmental information

The Group is organised into two main operating segments, Document Management and Relocations, and operates one service per segment as described in the Chief Executive's review. All trading of the Group is undertaken within the United Kingdom and the Group has no overseas operations. Segment assets include intangibles, property, plant and equipment, inventories, receivables and operating cash. Central assets include deferred tax and head office assets. Segment liabilities comprise operating liabilities. Central liabilities include income tax and deferred tax, corporate borrowings and head office liabilities. Capital expenditure comprises additions to computer software, property, plant and equipment and includes additions resulting from acquisitions through business combinations. Segment assets and liabilities are allocated between segments on an actual basis.

REVENUE

The revenue from external customers was derived from the Group's principal activities in the UK (the Company is domiciled in England) as follows:

Unaudited six months ended 30 June 2015 £'m	Document Management	Relocations	Head Office	Total
Sales of services	27.7	16.2	-	43.9
Segment adjusted operating profit/(loss)	7.4	1.2	(0.9)	7.7
Exceptional items				(2.9)
Share based payments charge				(0.2)
Amortisation of intangible assets				(1.1)
Operating profit				3.5
Finance costs				(0.6)
Profit before tax				2.9
Tax charge				(0.5)
Profit after tax				2.4
Segment assets	118.0	18.4	13.0	149.4
Segment liabilities	23.6	5.5	52.0	81.1
Capital expenditure	2.5	-	-	2.5
Depreciation and amortisation	2.1	0.3	-	2.4

Unaudited six months ended 30 June 2014 £'m	Document Management	Relocations	Head Office	Total
Sales of services	16.0	14.6	-	30.6
Segment adjusted operating profit/(loss)	5.3	1.0	(0.9)	5.4
Exceptional items				(0.5)
Share based payments charge				(0.5)
Amortisation of intangible assets				(0.7)
Operating profit				3.7
Finance costs				(0.4)
Profit before tax				3.3
Tax charge				(0.7)
Profit after tax				2.6
Segment assets	72.6	18.0	8.0	98.6
Segment liabilities	13.4	6.2	29.8	49.4
Capital expenditure	1.3	0.1	-	1.4
Depreciation and amortisation	1.3	0.2	-	1.5

Audited Year ended 31 December 2014 £'m	Document Management	Relocations	Head Office	Total
Sales of services	37.4	30.1	-	67.5
Segment adjusted operating profit/(loss)	11.5	3.3	(1.9)	12.9
Exceptional items				(3.1)
Share based payments charge				(1.0)
Amortisation of intangible assets				(1.9)
Operating profit				6.9
Finance costs				(0.8)
Profit before tax				6.1
Tax charge				(1.2)
Profit after tax				4.9
Segment assets	101.1	27.4	7.0	135.5
Segment liabilities	23.3	7.0	38.2	68.5
Capital expenditure	3.5	0.1	-	3.6
Depreciation and amortisation	3.2	0.6	-	3.8

All assets are located in the United Kingdom.

Acquisition related exceptional costs are £2.2m including restructuring and redundancy costs in Document Management of £1.8m and £0.1m in Relocations, £0.1m of acquisition transaction costs, £0.1m of box relocation and transport costs and other exceptional costs of £0.1m.

In addition to the acquisition related exceptional costs noted above the Group also incurred exceptional costs of £0.7m in relation to a particular scanning contract. The contract involves scanning exam papers primarily over a two month period in May and June each year. Due to technical issues during the process which had not occurred in previous years significant additional costs were required to deliver the contract. Further to the costs borne directly by the Group a provision has been made for cost recharges from the customer. Management believe the root cause of the technical issues has been identified which will enable the cost of delivering this contract in future periods to fall in line with patterns previously experienced. As a result the one off nature of these costs and their relative size they have been shown as exceptional to enable a better understanding of the underlying trading of the Group during the period.

For the six months ended 30 June 2014: £0.5m relates to restructuring and redundancy costs in Document Management of £0.4m and costs of acquisition of £0.1m.

In the year ended 31 December 2014, £3.1m of exceptional items were incurred (acquisition transaction costs, £0.4m, box relocation and associated costs, £0.4m, restructuring and redundancy costs, £2.5m, other £0.2m).

3 Tax

The underlying tax charge is based on the expected effective tax rate for the full year to 31 December 2015.

4 Earnings per ordinary share

Basic earnings per share have been calculated on the profit after tax for the period and the weighted average number of ordinary shares in issue during the period.

	Unaudited Six months ended 30 June 2015	Unaudited Six months ended 30 June 2014	Audited Year ended 31 December 2014
Weighted average number of shares in issue	82,381,789	74,900,491	76,624,278
Total profit after tax for the period (£'m)	2.4	2.6	4.9
Total basic earnings per ordinary share (pence)	2.9p	3.5p	6.4p
Weighted average number of shares in issue	82,381,789	74,900,491	76,624,278
Share options	4,451,326	4,249,184	4,490,487
Executive incentive plan	471,657	-	616,035
Weighted average fully diluted number of shares in issue	87,304,772	79,149,675	81,730,800
Total fully diluted earnings per share (pence)	2.7p	3.3p	6.0p
	£'m	£'m	£'m
Profit before tax for the period	2.9	3.3	6.1
Adjustments:			
Amortisation of intangible assets	1.1	0.7	1.9
Exceptional items	2.9	0.5	3.1
Share based payments charge	0.2	0.5	1.0
Other finance costs	-	-	(0.1)
Adjusted profit	7.1	5.0	12.0

The Directors believe that adjusted basic earnings per share provide a more appropriate representation of the underlying earnings derived from the Restore Group's business. The adjusting items are shown in the table above.

The additional adjusted earnings per share, based on weighted average number of shares in issue during the period, is calculated below:

	Unaudited Six months ended 30 June 2015 £'m	Unaudited Six months ended 30 June 2014 £'m	Audited Year ended 31 December 2014 £'m
Adjusted profit before tax	7.1	5.0	12.0
Tax at 20.5% / 21.5% / 21.5%	(1.5)	(1.1)	(2.6)
Adjusted profit after taxation (£'m)	5.6	3.9	9.4
Adjusted basic earnings per share (pence)	6.8p	5.2p	12.3p
Adjusted fully diluted earnings per share (pence)	6.4p	4.9p	11.5p

5 Cash inflow from operations

	Unaudited Six months ended 30 June 2015 £'m	Unaudited Six months ended 30 June 2014 £'m	Audited Year ended 31 December 2014 £'m
Cash inflow from operating activities			
Profit before tax	2.9	3.3	6.1
Depreciation of property, plant and equipment	1.3	0.8	1.9
Amortisation of intangible assets	1.1	0.7	1.9
Finance costs recognised in profit and loss	0.6	0.4	0.8
Share based payments charge	0.2	0.5	1.0
Movement in working capital			
Decrease/(increase) in inventories	0.1	-	(0.2)
Increase in trade and other receivables	(5.2)	(3.0)	(2.4)
Increase/(decrease) in trade and other payables	3.6	(0.2)	(3.5)
Net cash generated from operations	4.6	2.5	5.6

6 Business Combinations

On 2 January 2015, the Company acquired the business and assets of Ancora Solutions ('Ancora'), a records management business for a cash consideration of £0.5m. The provisional fair values are as follows:

	Provisional fair value at acquisition £'m
Intangible assets – customer relationships	0.6
Deferred tax liabilities	(0.1)
Net assets acquired	0.5
Consideration	0.5
Satisfied by:	
Cash to vendors	0.5

Deferred tax at 20% has been provided on the value of intangible assets. Acquisition costs of £10,000 were incurred and have been charged to profit or loss.

Changes of fair values

On 7 October 2014, the Company acquired 100% of the share capital of Cintas UK Document Management Limited.

The Group continues the process of establishing the fair value of the assets and liabilities acquired, and as this assessment is inherently judgemental, the values included in the Interim Statement are provisional.

The provisional fair value table is as follows:

	Provisional fair value at acquisition £'m
Intangible assets – customer relationships	10.4
Property, plant and equipment	8.2
Deferred tax asset	1.4
Inventories	0.1
Trade receivables	2.0
Other receivables	2.0
Cash	2.5
Trade and other payables	(3.5)
Deferred tax liabilities	(2.1)
Provisions	(7.0)
Net assets acquired	14.0
Goodwill	12.6
Consideration	26.6
Satisfied by:	
Cash to vendors	23.5
Purchase price adjustment	0.6
Reimbursement – less than 1 year	1.0
Reimbursement – more than 1 year	1.5

The key assumptions which remain provisional are the valuation of customer relationships and the over renting provision.

Included within provisions is an 'over-renting' provision which relates to the amount by which future lease rental commitments, arising as a result of acquisitions, exceed the fair market rentals. In calculating this provision the key estimates are those relating to the fair values of the rentals on the properties concerned, the impact of future rent reviews and the discount rate applicable.

Contingent consideration

On 2 March 2015, £200,000 was paid in respect of the second and final tranche of contingent consideration in respect of IT Efficient Limited.

7 Intangible assets

	Goodwill £'m	Customer relationships £'m	Trade names £'m	Applications software & IT £'m	Total £'m
Cost					
1 January 2014	39.4	13.3	2.0	2.8	57.5
Arising on acquisition of subsidiary	4.5	2.1	-	-	6.6
30 June 2014	43.9	15.4	2.0	2.8	64.1
Cost					
30 June 2014	43.9	15.4	2.0	2.8	64.1
Additions - external	-	-	-	0.7	0.7
Acquisitions	-	-	-	0.3	0.3
Arising on acquisition of subsidiary	14.6	6.7	-	-	21.3
31 December 2014	58.5	22.1	2.0	3.8	86.4
Cost					
1 January 2015	58.5	22.1	2.0	3.8	86.4
Acquired with subsidiary	(1.7)	4.3	-	0.3	2.9
Arising on acquisition of subsidiary	-	-	-	0.3	0.3
Disposals	-	-	-	(0.1)	(0.1)
30 June 2015	56.8	26.4	2.0	4.3	89.5
Amortisation					
1 January 2014	10.6	2.7	0.7	1.6	15.6
Charge for the period	-	0.5	0.1	0.1	0.7
30 June 2014	10.6	3.2	0.8	1.7	16.3
Amortisation					
30 June 2014	10.6	3.2	0.8	1.7	16.3
Charge for the period	-	0.7	0.1	0.4	1.2
31 December 2014	10.6	3.9	0.9	2.1	17.5
Amortisation					
1 January 2015	10.6	3.9	0.9	2.1	17.5
Charge for the period	-	0.7	0.1	0.3	1.1
Disposals	-	-	-	(0.1)	(0.1)
30 June 2015	10.6	4.6	1.0	2.3	18.5
Carrying amount					
30 June 2015 - Unaudited	46.2	21.8	1.0	2.0	71.0
31 December 2014 - Audited	47.9	18.2	1.1	1.7	68.9
30 June 2014 - Unaudited	33.3	12.2	1.2	1.1	47.8

8 Financial liabilities

	Unaudited 30 June 2015 £'m	Unaudited 30 June 2014 £'m	Audited 31 December 2014 £'m
Current			
Bank loans and overdrafts due within one year			
Overdrafts on demand	1.1	0.4	1.2
Bank loans - secured	1.9	-	2.6
Deferred financing costs	(0.1)	-	(0.1)
	2.9	0.4	3.7
Non-current			
Bank loans - secured	40.0	26.0	34.4
Deferred financing costs	(0.2)	-	(0.3)
	39.8	26.0	34.1

Analysis of net debt

	30 June 2015 £'m	30 June 2014 £'m	31 December 2014 £'m
Cash at bank and in hand	12.3	4.2	6.9
Bank loans and overdrafts due within one year	(2.9)	(0.4)	(3.7)
Bank loans due after one year	(39.8)	(26.0)	(34.1)
	(30.4)	(22.2)	(30.9)

9. Post balance sheet events

On 6 July 2015, the Company acquired ITP Group Holdings Limited ('ITP'), the UK's leading collector of empty printing cartridges. The acquisition broadens the capabilities of the Group to offer additional office services alongside its existing IT recycling, document management and office relocation activities. The initial cash-free debt-free consideration was £3.2m, with a further £0.8m contingent consideration payable in 2016, depending on completion and performance of a handover period.

On 14 August 2015, the Group acquired Crimson UK Limited ('Crimson'), a document scanning business for an initial cash consideration of £1.0m, with further payments up to a maximum of £0.7m over 5 years, dependent on the award and execution of a potential major contract.

On 18 August 2015, the Company acquired the business and assets of The Data Imaging and Archiving Company, 'Imaging and Archiving', a documents management company, for cash consideration of £1.45m.

The Group is still in the process of establishing the fair values of the assets and liabilities acquired in these transactions.

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