30 September 2014

Flowgroup plc
("Flow" or the "Company")

Unaudited Group Interim Financial Statements for the six months ended 30 June 2104

Flowgroup plc (AIM: FLOW), which develops and commercialises alternative and efficient energy technology products, announces its Interim Results for the period ended 30 June 2014.

Financial highlights

- Flow Energy revenue £15,991,000 (2013: £466,000)
- Operating loss of £4,712,000 (2013: £4,685,000)
- Cash in hand at 30 June 2014 of £11,464,000 (2013: £5,705,000)
- Cash in hand at 29 September 2014 of £11,531,000

Operational highlights

- Flow boiler received CE certification from the British Standards Institution
- Production line equipment ordered by Jabil for the UK production facility
- Commenced boiler installation pilot trials with performance in-line with expectations to-date
- Volume manufacturing expected to commence towards the end of the current year
- Number of Flow Energy customers increased to c.64,000 accounts
- Flow Battery received its first orders under its National Grid UK framework agreement and an initial order from Trane Canada

Post period highlights

- Agreement signed with NRG Energy Inc for testing and evaluation of the Flow boiler to assess its suitability for introduction into the North American market
- Agreement signed with a major European utility for testing and evaluation of the Flow boiler
- Heads of Terms signed with Mears Group for installation and servicing in the UK
- 10,000 square feet state-of-the-art training facility for boiler installers opened in Cheshire
- Flow Energy achieved 2nd place rating for lowest number of complaints per 100,000 customers amongst all UK domestic energy suppliers (Q2 2014)

Tony Stiff Group Chief Executive Officer of Flowgroup plc commented: "The first half of the year has seen significant progress across the group with the growth in our energy business, the ongoing successful pilot installations of our unique boiler and Flow Battery receiving its first orders from the National grid.

"The second half of this financial year will see further progress as the new energy customers acquired during the period generate additional revenue, many of the pilot boilers currently in the field receive the electricity generating module for the first time and we expect further orders for Flow Battery.

"Most importantly however, we have sufficient financial resources and remain on track to execute our plan to begin volume production of our boiler with our manufacturing partner, Jabil, at the end of the current year and expect full commercial launch in 2015, which we expect to be a significant value driver for our shareholders."

Flowgroup plc www.flowgroup.uk.com
Tony Stiff, Group Chief Executive Officer Tel: +44 (0)151 348 2100

Investec Bank plc (NOMAD, joint Financial Adviser and joint Broker) Tel: +44 (0)20 7597 4000
Christopher Baird / Daniel Adams / Ben Williams

Cenkos Securities plc (joint Financial Adviser and joint Broker) Tel: +44 (0)20 7397 8900
Stephen Keys / Christopher Golden (Corporate Finance)
Julian Morse (Sales)

Walbrook PR Ltd Tel: +44 (0)20 7933 8780 or flowgroup@walbrookpr.com
Paul Cornelius Mob: 07827 879 460
Paul McManus Mob: 07980 541 893

Chief Executive Officers Review

Over the course of the last six months, we have made significant progress in our three key business units.

Our core product, the electricity-generating Flow boiler, received CE certification in March 2014 and, working closely with our manufacturing partner Jabil, our team which has continued to improve component quality and reliability, is targeting initiating production by the end of this calendar year.

We've grown Flow Energy this year in a measured and cost-effective way, attracting new customers with minimal acquisition costs. Our customer base now stands at c.64,000 accounts and our customers have reported on our market-leading level of service with Flow Energy receiving a Top 2 rating for the lowest level of official complaints across the UK energy industry in the second quarter of this year. Our energy business now generates revenues equivalent to £40 million on an annualised basis.

Following a slight delay, Flow Battery has now received the first orders under the previously announced framework agreement with National Grid. In addition to this, Flow Battery received an initial order from Trane Canada, strengthening its position in the North American market.

Every member of the Flowgroup team is now working to deliver our game-changing boiler into the UK market and beyond.

Flow Products

The team has worked methodically to ensure that both our core technology platform and its supporting infrastructure and related services are of exceptional quality. Receiving CE certification in March 2014 was one of the most important of our milestones. It allows us to make a simple but crucial statement that we have a safe, working product for volume manufacture and sale.

We believe that manufacturing the Flow boiler in the UK by Jabil, which is one of the world's leading OEM manufacturing partners, is a key strength. Working together, we have successfully accelerated our development towards establishing a volume production capability.

Enhanced Supply Chain

As part of the planning process for volume production, we have methodically secured several dual source suppliers to deliver us key components that have extended delivery lead-times. We announced in early July that, due to the procurement of these suppliers and the improved components they supply, it would be prudent to allow more time to install and commission the manufacturing facility and achieve CE status for the production line. We therefore now expect Jabil to commence volume production by the end of this calendar year and ramp up to full production in Q1 2015.

The Flow boiler installation pilot has met our expectations in terms of the reliability and performance of our product in the field. We have also learnt a great deal about the customer experience through the installation process, identifying the optimum delivery schedule for the boiler, the average time required for the installation process and identifying the priorities for customers prior, during and post installation. Due to the timing of the Flow boiler receiving its CE certification, electricity-generating power modules were preinstalled in pilot boiler installations from August 2014. Additional generation data collected from these pilot boilers will be analysed and incorporated into the design process, supplementing the significant and independent laboratory data we already have.

Expanded Installation network

Our accreditation training programme is now being delivered at our state-of-the-art facility in Cheshire. The Flow training academy opened its doors to the first Flow installers in early August. It has the capacity to train around 3,000 installers a year, who will then be able to recommend and fit the Flow boiler. These independent installers are critical to the success of the business as whilst we intend to make sales directly to new boiler customers, many potential customers will approach a local installer in the first instance when considering the purchase of a new domestic boiler. Therefore, creating a large network of accredited installers of the Flow boiler will create a large network of indirect sales teams, who will be provided with all the marketing and sales collateral they require to be able to recommend Flow to their customers. We will open additional training academies in the future, to increase our training capacity and meet what we expect to be considerable demand from installers for the right to become an accredited installer of our innovative product.

The independent installer network described above supplements our long-standing agreements with Calor and Carillion. We were very pleased to announce in August that we have now also signed a Heads of Terms with Mears Group (“Mears”).

Mears repairs and maintains over 700,000 homes across the UK. It is intended, subject to entering into a legally binding agreement, that Mears will provide national installation coverage for the Flow boiler for ongoing servicing and maintenance all year round except for Christmas day. This will undoubtedly be an extremely competitive servicing package delivered through an extensive network of experienced engineers who, working alongside our previously announced installation partners and our newly initiated independent installer network, will enable the provision of high quality installation and support services to our customers.

We believe the above agreements will give us the capacity to compete with the largest boiler providers in the UK. Since the proposed agreement with Mears will cover servicing as well as installation, we believe this arrangement will provide us with a strong, ongoing servicing revenue stream.

Product Range and Target Market Expansion

We have always stated that we aim to expand our product range and take our products into international markets. In terms of our product range, our team is currently in the design stages of creating a prototype combination version of the Flow boiler. This will allow us to target a significantly increased number of homes in the UK replacement market, both larger and smaller homes and those without the separate hot water tank our launch boiler requires.

Our international ambitions have moved forward as we have put agreements in place with two important international players.

- **North America -** NRG Energy Inc. is a major US energy company listed in the Fortune 500 with annual revenues of more than $11 billion. It is a company with considerable vision for the energy businesses of the future and one which has already demonstrated leadership in this sector. It has a large generation business, capable of supplying electricity to 42m US homes, and also provides energy to nearly 3m customers across 47 states. Flow has signed a Memorandum of Understanding to initiate a trial for the testing and evaluation of our innovative microCHP products for the US heating market. The US has 79.5 million natural gas connected homes with the average annual gas consumption 46% greater than the UK average. In addition, electricity prices are three times higher than natural gas prices in twenty States. We therefore believe that the market and economics for microCHP are attractive in the US and that this agreement represents the first step towards entering the American market.

- **Europe -** We have also signed a similar agreement with a large European utility, which will test and evaluate our microgeneration boiler at its facility. We believe a number of countries across Europe face the same issues as the UK in terms of providing the increased generation required to meet growing peak demand and the requirement to reduce carbon emissions. Since the market for gas fired heating products in Europe is c.8m units per year, with many key markets such as Germany, Italy, France and Netherlands providing incentives and regulations for low carbon heating, we believe this results in attractive market conditions for the Flow boiler.

Having initial testing agreements in place with both a major US and European player is the first step on the road to commercialising our technology platform on a global scale and we're extremely excited about these developments.

Flow Energy

In 2013 we had a clear sales target, which we exceeded due to favourable market conditions. After such a strong performance, we re-launched the Flow Energy Thames tariff on 02 April 2014, bringing on customers organically and with minimal acquisition costs as we have largely avoided the high commissions that the price comparison sites demand.

Not paying to win customers has expanded our profit margin, but reduced the number of customers we have gained. Importantly, shareholders should note that acquiring a new energy customer incurs direct and indirect costs, such as the deposits required with our wholesale energy providers. However, due to our improved market position, our future collateral requirements have been significant reduced.

Furthermore, taking on new energy customers over the winter is a particularly cash-intensive proposition, as customers paying on a fixed Direct Debit quickly build up a debit balance over the winter months when they use more energy than they pay for. We therefore withdrew the Thames tariff on the 31 August and do not expect to release a new tariff until we launch our boiler at the beginning of 2015.

With the infrastructure already in place and our good reputation in the marketplace, coupled with the development of potentially significant changes in customer behaviour around switching, there may be opportunities to grow our energy business further and we continue to monitor the energy market closely.

One of the crucial elements of our boiler customer proposition is trust. With a new brand and a new product, we believe customers must feel they can trust us to provide them with excellent levels of service. Our existing energy business provides the perfect illustration of our ability to deliver. In an industry plagued with a reputation for poor customer service, Flow Energy had a very low number of complaints per 100,000 customers when compared to the entire UK domestic energy industry in Q2, and better than some other smaller suppliers by a factor of 10 and some of the Big six by a factor of 50. We continue to grow a reputation as a company to trust.

By not paying excessively to win customers, not acquiring customers during the winter and maintaining industry leading standards of service, we have expanded our customer base in a measured way to c.64,000 accounts from 50,000 and without tying up large amounts of capital.

Flow Battery

Flow Battery has now received its first orders under the three year framework agreement it won with National Grid UK. This is an important milestone for Flow Battery as the best-in-class solution to replace conventional lead-acid backup power units in National Grid's substation network in England and Wales as they reach the end of their service life. Installation of the first unit has now taken place and we expect further orders to follow to provide us with another growing revenue stream.

Flow Battery also received an initial order from Trane Canada in March 2014 for one DC100 (100kW) and one DC50 (50kW) Flow Battery unit, which were shipped in July. The units have been procured by Trane for a major Canadian telecommunications company and will be installed in a telephone exchange, which is part of the company's extensive national network. Developing a relationship with Trane has delivered several benefits to Flow Group as this customer has close links with a number of further potential customers, which we believe will deliver further opportunities in the key North American market.

Market commentary

We believe that the idea of low carbon, decentralised generation is gaining traction in governmental, industry and media circles. The fact that natural gas will continue to play a key role in UK generation for at least the next 20 years is becoming commonplace amongst commentators. There is also now a growing understanding amongst key players that Flowgroup's microgeneration boiler could play a central role in helping achieve the goal of low cost, low carbon electricity produced locally, using the natural gas that we have much more efficiently. That understanding will, we believe, help us create a receptive environment for our product.

The structural issues that plague the energy industry have not abated. In fact, the extremely mild winter the country experienced in 2013 masked those issues – although there was a reduction in supply, due to more generation going off stream, the normal seasonal increase in demand which would have been caused by a colder winter simply did not happen. In the face of rising bills and problems with meeting peak demand, the requirement for a solution that can be implemented quickly and without the huge capital investment that central generation requires will be all the more pressing. We believe that Flowgroup will be in a position to provide that solution, with the introduction into the market of its game-changing electricity-generating domestic boiler and we believe that providing that solution will bring significant benefits to the Group and its shareholders.

We believe that much of the energy debate supports the argument for mass adoption of the Flow boiler. We also believe that the current preoccupations of customers – the need to save money – make the Flow boiler an attractive proposition.

It remains our intention to launch the Flow boiler in the UK under a self-financing option where the customer effectively only pays for installation, with the cost of the Flow boiler itself being rebated via guaranteed lower energy bills over a five year period. It is our belief, as household budgets continue to be squeezed, that this offer will provide a powerful incentive for customers to adopt our technology.

Financial review

Turnover for the six months ended 30 June 2014 increased to £15,991,000 (H1 2013: £466,000) and was entirely derived from the energy business. Gross margins are seasonal and highly dependent on a number of external factors and achieved 7.3% for the first half of the current financial year (H1 2013: 19.5%).

Operating loss was broadly maintained during the period at £4,712,000 (H1 2013: loss of £4,685,000) despite our continued investment in the Company to increase staff numbers to enable us to bring the Flow Boiler to market and capture the growth opportunity in the energy business. The loss before tax was £4,702,000 whereas the loss for H1 2013 was £7,240,000 after the one-off impairment of our investment in VPhase Plc.

Capitalised development costs during the six months were £1,586,000 (H1 2013: £1,241,000) comprising continued boiler costs and the investment in the pilot boiler programme including product installation and subsequent service requirements.

Net decrease in cash during the six months to 30 June 2014 was £5,897,000 (H1 2013: £6,443,000) with cash in hand at 30 June 2014 being £11,464,000 (30 June 2013: £5,705,000). At 29 September 2014 the cash balance was £11,531,000. Our current business forecasts, taking into account projected outflows and anticipated sales volumes, indicate that the Group has the necessary resources to operate for the foreseeable future, continuing development of the energy services and back-up power businesses, and taking the boiler business through to cash generation.

Board changes

We are pleased to announce that we are currently in the final stages of recruiting a Group CFO. The Chairman will revert to Non-Executive Chairman better reflecting her role.

Current Trading and Outlook

Our targets for our three business units for this financial year remain unchanged. Once achieved, these will position us well for further progress in 2015 and beyond. The Board remains confident on the Group's prospects.

Unaudited Group Income Statement

	Unaudited 6 months to 30 June 2014 £'000	Unaudited 6 months to 30 June 2013 £'000	Audited Year to 31 December 2013 £'000
Revenue	**15,991**	466	13,790
Cost of sales	**(14,817)**	(375)	(11,982)
Gross profit	**1,174**	91	1,808
Administrative expenses	**(5,886)**	(4,776)	(9,483)
Operating loss	**(4,712)**	(4,685)	(7,675)
Net finance income	**10**	15	5
Impairment of investment	**-**	(2,570)	(2,570)
Loss before income tax	**(4,702)**	(7,240)	(10,240)
Income tax	**240**	208	208
Loss for the financial period	**(4,462)**	(7,032)	(10,032)
Attributable to:			
Equity holders of the Company	**(4,462)**	(7,032)	(10,032)

The Group has no items to be recognised in the "Group Statement of Comprehensive Income" and, consequently, this statement has not been shown.

The notes are an integral part of these Unaudited Group Interim Financial Statements.

Unaudited Group Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Retained earnings £'000	Reverse acquisition reserve £'000	Other reserve £'000	Total shareholders' equity £'000
Balance at 1 January 2013	6,626	30,794	(13,234)	(821)	482	23,847
Share based payments	-	-	-	-	231	231
Transactions with owners	6,626	30,794	(13.234)	(821)	713	24,078
Loss for the financial period	-	-	(7,032)	-	-	(7,032)
Balance at 30 June 2013	**6,626**	**30,794**	**(20,266)**	**(821)**	**713**	**17,046**
Proceeds from shares issued	5,342	12,023	-	-	-	17,365
Share issue costs	-	(990)	-	-	-	(990)
Share based payments	-	-	-	-	317	317
Transactions with owners	11,968	41,827	(20,266)	(821)	1,030	33,738
Loss for the financial period	-	-	(3,000)	-	-	(3,000)
Balance at 31 December 2013	**11,968**	**41,827**	**(23,266)**	**(821)**	**1,030**	**30,738**
Proceeds from shares issued	6	23	-	-	-	29
Share based payments	-	-	-	-	326	326
Transactions with owners	11,974	41,850	(23,266)	(821)	1,356	31,093
Loss for the financial period	-	-	(4,462)	-	-	(4,462)
Balance at 30 June 2014	**11,974**	**41,850**	**(27,728)**	**(821)**	**1,356**	**26,631**

The notes are an integral part of these Unaudited Group Interim Financial Statements.

Unaudited Group Statement of Financial Position

	Note	Unaudited as at 30 June 2014 £'000	Unaudited as at 30 June 2013 £'000	Audited as at 31 December 2013 £'000
Assets				
Non-current assets				
Intangible assets	5	**15,790**	12,917	14,665
Property, plant and equipment		**537**	387	536
		16,327	13,304	15,201
Current assets				
Inventories		**130**	26	15
Trade and other receivables		**4,076**	1,993	4,341
Cash and cash equivalents		**11,464**	5,705	17,361
		15,670	7,724	21,717
Total assets		**31,997**	21,028	36,918
Liabilities				
Non-current liabilities				
Borrowings		**1,917**	1,985	1,917
Current liabilities				
Trade and other payables		**3,342**	1,997	4,156
Borrowings		**107**	-	107
		3,449	1,997	4,263
Total liabilities		**5,366**	3,982	6,180
Equity				
Capital and reserves attributable to equity holders of the Company				
Share capital		**11,974**	6,626	11,968
Share premium account		**41,850**	30,794	41,827
Retained earnings		**(27,728)**	(20,266)	(23,266)
Reverse acquisition reserve		**(821)**	(821)	(821)
Other reserves		**1,356**	713	1,030
Total shareholders' equity		**26,631**	17,046	30,738
Total equity and liabilities		**31,997**	21,028	36,918

The notes are an integral part of these Unaudited Group Interim Financial Statements.

Unaudited Group Statement of Cash Flows

	Note	Unaudited 6 months to 30 June 2014 £'000	Unaudited 6 months to 30 June 2013 £'000	Audited Year to 30 December 2013 £'000
Cash flows from operating activities				
Cash consumed by operations	6	**(4,201)**	(4,830)	(7,102)
Cash flows from investing activities				
Expenditure on intangible assets		**(1,600)**	(1,392)	(3,608)
Purchase of property, plant and equipment		**(135)**	(177)	(437)
Purchase of investment		**-**	(59)	(59)
Interest received		**10**	15	44
Net cash used in investing activities		**(1,725)**	(1,613)	(4,060)
Cash flows from financing activities				
Net proceeds from the issue of ordinary shares		**29**	-	16,375
Net cash generated from financing activities		**29**	-	16,375
Net (decrease) / increase in cash and cash equivalents		**(5,897)**	(6,443)	5,213
Cash and cash equivalents at beginning of period		**17,361**	12,148	12,148
Cash and cash equivalents at end of period		**11,464**	5,705	17,361

The notes are an integral part of these Unaudited Group Interim Financial Statements.

Notes to the Unaudited Group Interim Financial Statements

1 Nature of operations and general information
Flowgroup plc ("the Company") and its subsidiaries (together "the Group") develop and commercialise alternative and efficient energy products and supply home energy. Our businesses are:

- Flow Products – microCHP energy generation
- Flow Battery – compressed air back-up for the protection of essential systems
- Flow Energy – energy services

Flowgroup plc is the Group's ultimate parent company. It is incorporated in England and Wales. The address of the registered office is Castlefield House, Liverpool Road, Castlefield, Manchester M3 4SB. The Group trades through a number of subsidiaries, whose places of business are Capenhurst Technology Park, Capenhurst, Chester, CH1 6EH and Felaw Maltings, 48 Felaw Street, Ipswich, IP2 8PN. Flowgroup plc's shares are quoted on the AIM Market of the London Stock Exchange.

Flowgroup plc's Unaudited Group Interim Financial Statements are presented in pounds sterling (£).

2 Basis of preparation and accounting policies
These Unaudited Group Interim Financial Statements are for the six months ended 30 June 2014. They have not been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group Financial Statements for the year ended 31 December 2013.

The financial information set out in these Unaudited Group Interim Financial Statements does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group Statement of Financial Position as at 31 December 2013 and the Group Income Statement, Group Statement of Cash Flows and associated notes for the year then ended have been extracted from the Group's Financial Statements as at 31 December 2013 which have been delivered to the Registrar of Companies. The auditors' report on these financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498(2) or section 498(3) of the Companies Act 2006.

The Unaudited Group Interim Financial Statements for the six months ended 30 June 2014 have not been audited or reviewed in accordance with International Standard on Review Engagement 2410 issued by the Auditing Practices Board.

The Unaudited Group Interim Financial Statements have been prepared under the historical cost convention, except that they have been modified to include the revaluation of certain non-current liabilities and investments at fair value through profit and loss.

These Unaudited Group Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2013 which have been applied consistently throughout the Group for the purposes of preparation of these Unaudited Group Interim Financial Statements.

The Unaudited Group Interim Financial Statements have been approved by the Board of Directors on 29 September 2014.

Going concern

During December 2013 the Group raised £16.4m and announced a manufacturing services agreement under which Jabil Circuit Inc will produce up to 390,000 boilers and provide the working capital to secure manufacture and the supply chain. The directors have produced business forecasts which after taking account of expected cash outflows indicate that the Group has sufficient resources to operate for the foreseeable future.

Accordingly, the Directors continue to adopt the going concern basis in preparing the Unaudited Group Interim Financial Statements.

3 Segmental results

	Unaudited 6 months to 30 June 2014 £'000	**Unaudited 6 months to 30 June 2013 £'000**	**Audited Year to 31 December 2013 £'000**
Revenue			
Flow Products	-	-	-
Flow Battery	-	-	45
Flow Energy	15,991	466	13,745
Group	-	-	-
	15,991	**466**	**13,790**
Operating Loss			
Flow Products	2,885	1,802	4,785
Flow Battery	305	327	349
Flow Energy	1,039	1,821	1,826
	4,229	**3,950**	**6,960**
Unallocated costs	2,069	1,976	3,947
Capitalisation of development costs	(1,586)	(1,241)	(3,232)
	4,712	**4,685**	**7,675**

4 Loss per ordinary share

The calculation of the loss per ordinary share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post-tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

	Unaudited 6 months to 30 June 2014	**Unaudited 6 months to 30 June 2013**	**Audited Year to 31 December 2013**
Loss for the period (£'000)	**(4,462)**	(7,032)	(10,032)
Weighted average number of ordinary shares in issue	**239,402,466**	132,505,606	134,994,040
Basic and diluted loss per share (pence)	**(1.86)**	(5.31)	(7.43)

5 Intangible assets

	Intellectual property £'000	**MicroCHP development asset £'000**	**Compressed air battery development asset £'000**	**Other intangible assets £'000**	**Total £'000**
Net book value at 1 January 2014	**3,233**	**10,708**	**251**	**473**	**14,665**
Additions	-	1,586	-	14	1,600
Amortisation	(168)	-	(196)	(111)	(475)
Net book value at 30 June 2014	**3,065**	**12,294**	**55**	**376**	**15,790**
Net book value at 1 January 2013	**3,569**	**7,476**	**643**	**261**	**11,949**
Additions	-	1,241	-	151	1,392
Amortisation	(168)	-	(196)	(60)	(424)
Net book value at 30 June 2013	**3,401**	**8,717**	**447**	**352**	**12,917**
Net book value at 1 January 2013	**3,569**	**7,476**	**643**	**261**	**11,949**
Additions		3,232	-	376	3,608
Amortisation	(336)		(392)	(164)	(892)
Net book value at 31 December 2013	**3,233**	**10,708**	**251**	**473**	**14,665**

Intangibles include internally generated product development costs capitalised in accordance with IAS 38 and purchased intellectual property held at cost less amortisation following the disposal of Energetix Micropower Limited. Other intangible assets relate to purchased software.

6 Cash consumed by operations

	Unaudited 6 months to 30 June 2014 £'000	Unaudited 6 months to 30 June 2013 £'000	Audited Year to 31 December 2013 £'000
Cash flows			
Loss before income tax	(4,702)	(7,240)	(10,240)
Adjustments for:			
Depreciation	134	70	181
Amortisation	475	424	892
Finance Income	(10)	(15)	(44)
Finance costs	-	-	39
Share based payments	326	231	548
Tax received	240	208	208
Impairment in investment	-	2,570	2,570
Increase in inventories	(115)	(13)	(2)
Decrease /(increase) in trade and other receivables	265	(1,658)	(4,006)
(Decrease) / increase in trade and other payables	(814)	593	2,752
Total cash consumed by operations	**(4,201)**	**(4,830)**	**(7,102)**