

BIOLOGICAL CONTAMINATION CONTROL TECHNOLOGIES

LIFE SCIENCES: ASEPTIC FACILITIES FOR BIOLOGICS/BIOTECHNOLOGY

HEALTHCARE: COMBATING HOSPITAL ACQUIRED INFECTION AND ANTIBIOTIC RESISTANCE

DEFENCE: SPECIALIST CHEMICAL, BIOLOGICAL, RADIOLOGICAL & NUCLEAR FILTRATION SYSTEMS

BIOQUELL PLC
INTERIM REPORT 2015

bioquell

“ The successful disposal of TRaC in the first half – with a £34.2 million exceptional profit and net cash proceeds of £43.4m – was an important step in realising value for shareholders.

The benefits of the changes we made to the Bio division’s cost base last year can be seen with the significant improvement in operating profit from a loss of £1.6 million to a profit of £0.1 million.

We are beginning to see in the results the benefits of the new products, services and consumables that we have developed and launched over the last couple of years.

The underlying demand for Bioquell’s technologies in our core Life Sciences and Healthcare markets is increasing.”

Nigel Keen, Chairman of Bioquell PLC

HIGHLIGHTS

Group revenues

£12.5M

Net cash

£47.7M

Disposal of TRaC Global Limited ("TRaC") completed on 7 May, 2015 with a price of £44.5 million in cash (excluding expenses)

Continuing activities – Bio division: Group revenues up 2% to £12.5 million (2014: £12.3 million)

Continuing activities: Group operating profit: £0.1 million (2014: loss £1.6 million)

Profit for the period: £35.1 million (2014: loss £0.1 million), reflecting £34.2 million exceptional profit arising on the sale of TRaC

Net cash of £47.7 million (2014: £1.5 million), including £43.4m from disposal of TRaC

Increasing international demand for the QUBE offsetting decline in older hydrogen peroxide vapour ("HPV") equipment

Successful launch of new product, BQ-50, for the Healthcare market

Strong Healthcare & Defence revenues in period

Strategic Review, announced on 18 May, in the process of considering a number of different options for the Group

CHAIRMAN'S STATEMENT

THE UNDERLYING DEMAND FOR OUR PRODUCTS AND SERVICES AROUND THE WORLD IS STRONG AND INCREASING

The disposal of the Group's subsidiary, TRaC Global Limited ("TRaC"), for £44.5 million in cash (pre-expenses) completed on 7 May, 2015. Accordingly, unless otherwise indicated, the information below relates to the Group's continuing activities, namely those in its Bio division.

GROUP FINANCIAL RESULTS

In the six months ended 30 June 2015, Group revenues increased 2% to £12.5 million (2014: £12.3 million).

Service-related revenues decreased 5% to £5.7 million (2014: £6.0 million), reflecting a decline in Room Bio-Decontamination Service ("RBDS") revenues in the period in part due to a greater number of large emergency RBDS contracts in the first half of 2014.

Gross margin in the period was up 3% in the first half to 42% (2013: 39%).

Total overhead costs amounted to £5.2 million (2014: £6.3 million), including costs of £0.7 million relating to Research & Development ("R&D") (2014: £1.3 million).

EBITDA (Earnings before interest, tax, depreciation and amortisation) were £1.4 million (2014: £0.5 million). Operating profit was £0.1 million (2014: loss of £1.6 million).

Group pre-tax profit, which included the exceptional profit of £34 million arising on the disposal of TRaC, was £35.1 million (2014: loss of £0.1 million).

Basic earnings per share from continuing operations were 0.2 pence (2014: loss of 3.3 pence). Group basic earnings per share were 82.5p (2014: loss 0.3 pence), reflecting the disposal of TRaC.

In the first half, purchases of tangible fixed assets totalled £0.5 million (2014: £0.5 million). Depreciation in the period was £0.8 million (2014: £1.4 million).

Capitalised expenditure on product development was flat at £0.5 million (2014: £0.5 million).

Product development and expenditure on R&D

The investment in product development and the expenditure on ongoing engineering costs comprises an amount capitalised and an amount charged to the income statement. The tables below provide further information on the accounting for expenditure on R&D:

£ millions	**H1 2015**	H1 2014
Product development: amount capitalised	**0.5**	0.5
R&D and engineering cash costs charged to the income statement	**0.7**	1.3
Total cash cost of R&D, product development and engineering	**1.2**	1.8

£ millions	**H1 2015**	H1 2014
R&D and engineering cash costs charged to the income statement	**0.7**	1.3
Amortisation of capitalised development costs	**0.5**	0.7
Total charge to income statement for R&D and engineering	**1.2**	2.0

Balance sheet

Following the completion of the disposal of TRaC we have an extremely strong balance sheet with net assets of £64.7 million (2014: £31.8 million) and net cash of £47.7 million (2014: £1.5 million) at the period end.

The Board has announced its intention to return the majority of the cash proceeds arising from the disposal of TRaC to shareholders but this distribution has been deferred pending the outcome of the Strategic Review announced on 18 May, 2015.

CHAIRMAN'S STATEMENT CONTINUED

TRADING ACTIVITIES

Life Sciences

Life Sciences orders in the period increased by 3% over prior year as our new products start to gain traction in the market. In particular, the QUBE order book was up 50% to £1 million at the end of June. However, as we had expected, Life Sciences revenues in the period declined on a year-on-year basis to £8.2 million (2014: £9.8 million). This 16% decline in revenues reflects a number of different factors including the phasing of deliveries from our order book as well as the decline in revenues associated with our older hydrogen peroxide vapour ("HPV") equipment.

The QUBE comprises a novel, modular aseptic work-station which incorporates Bioquell's HPV technology and is manufactured using plastics technology which we developed previously as part of a US military contract. Demand for our QUBE product continues to grow from a broad range of customers around the world. Although the QUBE is currently primarily sold into sterility test and hospital pharmacy applications, we are also beginning to sell the product into biotech research and low volume biotech manufacturing applications.

RBDS – our unique Room Bio-Decontamination Service business – declined slightly in the period although we believe that there are a number of new applications for this specialist service arising in biotech applications. We are in the process of increasing our marketing of this service to capture such applications.

Our Life Sciences revenues in the important US market increased in the period. The changes we made to our US business a year ago are starting to be reflected favourably in the financial results of the business. In contrast, we continue to find the Life Sciences market in China much slower compared with a couple of years ago and we are currently examining new ways of generating revenues and profits in China.

Revenues from our higher margin consumable products continue to grow. Our consumables range currently comprises hydrogen peroxide cartridges as well as biological and chemical indicators used to help customers obtain and maintain regulatory approvals.

Healthcare

Revenues from our healthcare business increased 22% in the first half to £2.1 million (2014: £1.7 million).

The US showed strong growth and now accounts for approximately half of our Healthcare revenues worldwide. There are a number of factors driving demand for our HPV technology in the USA including increased awareness following micro-biological contamination linked to the treatment of Ebola patients in US hospitals last year as well as increasing concerns about hospital acquired infection, including CRE and *C.difficile* which are both 'superbugs' causing particular concern to hospitals in the USA.

Our HPV technology was used in the first half to help bring the widely reported MERS-CoV outbreak in South Korea under control. The combination of Ebola and MERS-CoV has highlighted the threats posed by viruses to public health organisations around the world.

Our new Healthcare product – the BQ-50 – was launched in May and the order book is beginning to grow. This product incorporates a number of new technologies which make the product easier to use which results in much faster eradication of drug-resistant pathogens in hospitals and we believe will result in increased demand from the healthcare sector. The BQ-50 also enables us to provide a lower cost, more flexible bio-decontamination service offering to hospitals in the USA and Europe.

Sales of our Pod product – which comprises fast-to-deploy, bespoke single patient rooms for use in open-plan, multi-bed critical care units – were slower than we were expecting in the first half. We have made a number of changes to the way in which we promote this product which we anticipate will help drive growth in our Healthcare revenues in the second half.

Defence

Defence revenues were strong in the first half at £2.2 million (2014: £0.8 million).

We continue to see demand for our specialist Chemical, Biological, Radiological and Nuclear ("CBRN") filtration equipment from a number of customers around the world, but particularly in the Middle East.

We have developed a flexible range of modular CBRN products which enable us to provide cost effective CBRN solutions to international vehicle and fixed installation manufacturers.

OUTLOOK AND PROSPECTS

The Strategic Review announced in May is ongoing and we are in the process of considering a number of different pathways forward.

The changes we have made to the Bio-division's product range, cost base and management teams are starting to impact favourably on our financial results.

The underlying demand for our products and services around the world is strong and increasing. The US biotech market is currently well funded and growing which is helping our Life Sciences business in the USA. Around the world hospitals and public health bodies are increasingly worried by the clinical threat and attendant financial consequences of antibiotic resistance, hospital acquired infection and the rapid spread of viruses such as MERS-CoV and Ebola. In addition, the geo-political stresses within the Middle East and elsewhere mean that interest in our CBRN defence products remains robust.

Overall the Group is on track to meet the Board's expectations for the full year.

NIGEL KEEN

Chairman
Bioquell PLC
26 August, 2015

CONSOLIDATED INCOME STATEMENT

Unaudited results for the six months ended 30 June 2015

Continuing operations		Notes	**6 months to 30 June 2015 £'000**	6 months to 30 June 2014 £'000	12 months to 31 December 2014 £'000
Revenue		1	**12,525**	12,281	27,266
Cost of sales			**(7,215)**	(7,518)	(15,870)
Gross profit			**5,310**	4,763	11,396
Gross profit margin			**42%**	39%	42%
Operating expenses:					
Sales and marketing costs			**(2,784)**	(3,201)	(6,390)
Administration costs			**(1,713)**	(1,859)	(3,478)
R&D and engineering costs			**(706)**	(1,290)	(6,206)
Profit/(loss) from continuing operations before exceptional items			**107**	(1,587)	(812)
Impairment of intangible assets			**—**	—	(3,866)
Profit/(loss) from continuing operations			**107**	(1,587)	(4,678)
Finance costs			**(38)**	(47)	(131)
Profit/(loss) before tax			**69**	(1,634)	(4,809)
Tax (charge)/credit on profit on ordinary activities			**(3)**	235	1,029
Profit/(loss) for the period from continuing operations			**66**	(1,399)	(3,780)
Discontinued operations					
Profit for the period from discontinued operations and disposal		2,4	**35,068**	1,283	2,763
Profit for the period					
Profit/(loss) for the period attributable to equity holders of the parent			**35,134**	(116)	(1,017)
Earnings/(loss) per share from continued operations excluding profit on disposal	– basic		**0.2p**	(3.3)p	(8.9)p
	– diluted		**0.2p**	(3.2)p	(8.9)p
Earnings/(loss) per share attributable to the owners of the parent	– basic		**82.5p**	(0.3)p	(2.4)p
	– diluted		**81.6p**	(0.3)p	(2.4)p

SUPPLEMENTARY NOTES

1. The financial information for the six months ended 30 June 2015 and the comparative figures for the six months ended 30 June 2014 have not been reviewed or audited by the Group's auditors and have been prepared on the basis of the accounting policies adopted by the Group under IFRS. The same accounting policies and methods of computation are followed in the interim financial report as were published by the Company on 15 April 2015 in its annual financial statements, which are available on the Company's website at www.bioquellplc.com.
2. The comparative figures for the twelve months to 31 December 2014 have been prepared under IFRS. They do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The unqualified audited accounts for the twelve months ended 31 December 2014 have been filed with the Registrar of Companies and they did not contain a statement under section 498(2) or (3) of the Companies Act 2006.
3. The tax charge shown on the income statement represents a combined corporation tax charge and deferred tax credit. The charge is based on the Group's anticipated effective tax rate for the full year.
4. Earnings/(loss) per share for the half year have been calculated on the profit/(loss) on ordinary activities on continuing operations after taxation and the total earnings attributable to the owners of the parent divided by the weighted average number of ordinary shares in issue during the period. The Group's diluted earnings per share are calculated by including dilutive share options in the denominator.
5. There have been no related party transactions during the first six months of the financial year that have materially affected the financial position or performance of the Group during that period and there have been no changes in the related party transactions described in the last Annual Report that could do so.
6. Copies of this statement will be available to members of the public at the Company's registered office: 52 Royce Close, West Portway, Andover, Hampshire SP10 3TS and on the Group's website at www.bioquellplc.com.

CONSOLIDATED INCOME STATEMENT CONTINUED

PRINCIPAL RISKS AND UNCERTAINTIES

The Board believes that the principal risks and uncertainties facing the Group have not changed materially from those described in the 2014 Annual Report, including the summary of risks and uncertainties set out on pages 12 to 14 therein. The Group provides complex equipment and specialist services to a large number of clients in the UK and internationally. Accordingly the Group is subject to a broad range of strategic, operational and financial risks and uncertainties, including the following principal risks:

Regulatory Risk

The Group operates in a number of countries and sectors which are highly regulated. There is a risk that the relevant authorities or their interpretation could be changed and such change could significantly adversely affect the Group's business in that country or sector.

Technological Risk

The Group is dependent on its technology, and on its products and services, continuing to be efficacious, cost effective and attractive to the marketplace. There is the risk that new technologies, products or services are developed by competitors which perform better, are easier to use or are more cost effective than those of the Group.

Uncertain adoption rate of new products or services

The Group is constantly developing new products and services. There is inherent uncertainty as to how quickly new products or services will be adopted by the market.

GOING CONCERN

The Group has sufficient financial resources to cover budgeted future cash flows, together with contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Directors confirm that they have a reasonable expectation that the Group has adequate financial resources to continue to trade for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge: (i) the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting; (ii) the financial statements give a true and fair view of the assets, liabilities, financial position and profit of the undertakings included in the consolidation as a whole as required by DTR 4.2.4R; (iii) the Interim Management Report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and a description of principal risks and uncertainties for the remaining six months of the year); and (iv) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

NICK ADAMS

Group Chief Executive
26 August 2015

MICHAEL ROLLER

Group Finance Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Unaudited results for the six months ended 30 June 2015

	6 months to 30 June 2015 £'000	6 months to 30 June 2014 £'000	12 months to 31 December 2014 £'000
Profit/(loss) for the period	**35,134**	(116)	(1,017)
Exchange differences on translation of foreign operations*	**(256)**	(150)	(4)
Total recognised income/(loss) for the period	**34,878**	(266)	(1,021)

* May be reclassified subsequently to profit or loss in accordance with IFRS.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited results for the six months ended 30 June 2015

	6 months to 30 June 2015 £'000	6 months to 30 June 2014 £'000	12 months to 31 December 2014 £'000
Profit/(loss) for the period	**35,134**	(116)	(1,017)
Exchange differences	**(256)**	(150)	(4)
Total comprehensive income/(loss) in the period	**34,878**	(266)	(1,021)
Other movements in the period:			
Issued share capital	**10**	10	11
Issued share premium	**93**	89	89
Credit to equity reserve for share-based payments	**84**	72	123
Charge to equity on exercise of share options under the SARS scheme	**(1)**	—	—
Final dividend for year ended 31 December 2014/2013	**(1,406)**	(1,404)	(1,404)
Net increase/(decrease) in equity shareholders' funds	**33,658**	(1,499)	(2,202)
Equity shareholders' funds at beginning of period	**31,057**	33,259	33,259
Equity shareholders' funds at end of period	**64,715**	31,760	31,057

CONSOLIDATED BALANCE SHEET

Unaudited results at 30 June 2015

	30 June 2015 £'000	30 June 2014 £'000	31 December 2014 £'000
Non-current assets			
Goodwill	**—**	691	691
Other intangible assets	**8,928**	13,100	9,023
Property, plant and equipment	**5,759**	14,676	14,257
Deferred tax assets	**175**	175	175
	14,862	28,642	24,146
Current assets			
Inventories	**3,830**	3,289	3,358
Trade and other receivables	**5,734**	9,453	11,790
Derivative financial instruments	**112**	280	—
Cash and cash equivalents	**48,506**	3,458	2,840
	58,182	16,480	17,988
Total assets	**73,044**	45,122	42,134
Current liabilities			
Trade and other payables	**(5,387)**	(8,448)	(6,648)
Derivative financial instruments	**—**	—	(2)
Borrowings	**(105)**	(224)	(224)
Obligations under finance leases	**—**	—	(104)
Current tax liabilities	**(42)**	(57)	(581)
Provisions	**(100)**	(91)	(88)
Net current assets	**52,548**	7,660	10,341
Non-current liabilities			
Deferred tax liabilities	**(1,989)**	(2,845)	(1,997)
Other non-current liabilities	**(706)**	(1,697)	(1,433)
Total liabilities	**(8,329)**	(13,362)	(11,077)
Net assets	**64,715**	31,760	31,057
Equity			
Share capital	**4,264**	4,253	4,254
Share premium account	**894**	801	801
Equity reserve	**2,050**	1,959	1,995
Capital reserve	**255**	255	255
Translation reserve	**(373)**	(263)	(117)
Retained earnings	**57,625**	24,755	23,869
Equity attributable to equity holders of the parent	**64,715**	31,760	31,057

CONSOLIDATED CASH FLOW STATEMENT

Unaudited results for the six months ended 30 June 2015

	Notes	**6 months to 30 June 2015 £'000**	6 months to 30 June 2014 £'000	12 months to 31 December 2014 £'000
Net cash from operating activities		**4,494**	1,258	3,750
Investing activities				
Proceeds on disposal of property, plant and equipment		**—**	—	53
Proceeds on disposal of TRaC Global Ltd net of cash transferred & costs of disposal	4	**42,535**	—	—
Purchases of property, plant and equipment		**(819)**	(1,325)	(2,418)
Purchases of intangible assets		**(22)**	—	(6)
Expenditure on product development		**(490)**	(471)	(1,009)
Net cash generated/(used) in investing activities		**41,204**	(1,796)	(3,380)
Financing activities				
Proceeds on issue of ordinary shares		**103**	99	100
Dividends paid on ordinary shares	3	**—**	—	(1,404)
New borrowings		**—**	527	556
Repayment of borrowings		**(116)**	(139)	(328)
Net cash from financing activities		**(13)**	487	(1,076)
Increase/(decrease) in cash and cash equivalents		**45,685**	(51)	(706)
Cash and cash equivalents at beginning of period		**2,840**	3,550	3,550
Effect of foreign exchange rate changes		**(19)**	(41)	(4)
Cash and cash equivalents at end of period		**48,506**	3,458	2,840

NOTES TO THE CASH FLOW STATEMENT

Unaudited results for the six months ended 30 June 2015

	6 months to 30 June 2015 £'000	6 months to 30 June 2014 £'000	12 months to 31 December 2014 £'000
Profit/(loss) for the period	**35,134**	(116)	(1,017)
Adjustments for:			
Profit on disposal of discontinued operations	**(34,243)**	—	—
Tax charge/(credit) on continuing operations	**216**	(9)	(342)
Investment revenues	**(25)**	—	—
Finance costs	**63**	47	131
Depreciation of property, plant and equipment	**1,196**	1,442	2,776
Amortisation of intangible assets	**508**	683	1,486
Impairment of intangible assets	**—**	—	3,824
Impairment of goodwill	**169**	—	—
Share-based payments	**84**	67	123
Loss on disposal of fixed assets	**—**	—	129
Increase in provisions	**12**	14	11
Operating cash flows before movements in working capital	**3,114**	2,128	7,121
Increase in inventories	**(603)**	(777)	(828)
Decrease/(increase) in receivables	**1,900**	280	(1,628)
Decrease in payables	**121**	(326)	(784)
Cash generated by operations	**4,532**	1,305	3,881
Investment revenues	**25**	—	—
Interest paid	**(63)**	(47)	(131)
Net cash from operating activities	**4,494**	1,258	3,750

NOTES TO THE INTERIM RESULTS

1. GEOGRAPHICAL ANALYSIS

Revenue and profit before taxation in respect of continuing operations arise from the principal activity of the Group. Following the disposal of TRaC Global Ltd on 7 May 2015 this represents a single class of business, being the provision of bio-decontamination control technologies to the international healthcare, life sciences and defence markets.

The Group's bio-decontamination equipment is manufactured within the UK and sold into the UK, Europe and Rest of World markets.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origination of the goods or services.

	6 months to 30 June 2015 £'000	6 months to 30 June 2014 £'000	12 months to 31 December 2014 £'000
UK	**2,693**	3,160	5,819
EU	**3,274**	3,646	7,784
ROW	**6,558**	5,475	13,663
Total	**12,525**	12,281	27,266

2. DISCONTINUED OPERATIONS

On 12 March 2015 the Group entered into a sale agreement to dispose of TRaC Global Limited, which carried out all of the Group's Testing, Regulatory and Compliance work. The disposal was made to simplify the Group and allow focus on the core decontamination business and to release value for shareholders. The sale was completed on 7 May 2015, on which date control of TRaC Global Limited passed to the acquirer.

The results of the discontinued operations which have been included in the consolidated income statement, were as follows:

	Period to 7 May 2015 £'000	6 months to 30 June 2014 £'000	12 months to 31 December 2014 £'000
Revenue	**6,175**	8,446	18,002
Expenses	**(5,137)**	(6,937)	(14,552)
Profit before tax	**1,038**	1,509	3,450
Attributable tax expense	**(213)**	(226)	(687)
Gain on disposal	**34,243**	—	—
Profit attributable to discontinued operations	**35,068**	1,283	2,763

During the period, TRaC Global Limited contributed £0.6m (six months ended 30 June 2014: £0.7m; year ended 31 December 2014: £2.9m) to the Group's net operating cash flows, paid £0.3m (six months ended 30 June 2014: £0.8m; year ended 31 December 2014: £1.5m) in respect of investing activities and paid £2.0m (six months ended 30 June 2014: received £0.4m; year ended 31 December 2014: received £0.3m) in respect of financing activities.

A profit of £34.2m arose on the disposal of TRaC Global Limited, being the net proceeds of disposal less the carrying amount of the subsidiary's net assets and attributable goodwill.

3. DIVIDENDS

	6 months to 30 June 2015 £'000	6 months to 30 June 2014 £'000	12 months to 31 December 2014 £'000
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2013 of 3.30 pence per ordinary share	—	1,404	1,404
Final dividend for the year ended 31 December 2014 of 3.30 pence per ordinary share	**1,406**	—	—

The final dividend for the year ended 31 December 2014 was approved by shareholders at the Annual General Meeting held on 18 May 2015 and is therefore included in current liabilities in the balance sheet.

NOTES TO THE INTERIM RESULTS CONTINUED

4. DISPOSAL OF TRAC GLOBAL LTD

As referred to in note 2, on 7 May 2015 the Group disposed of its interest in TRaC Global Ltd. There were no disposals in the year ended 31 December 2014.

The impact of TRaC Global Ltd on the Group's results in the current and prior periods is disclosed in note 2.

The net assets of TRac Global Ltd at the date of disposal and the costs of the disposal transaction are shown below:

	7 May 2015 £'000
Intangible assets	**(99)**
Property, plant & equipment	**(8,121)**
Inventories	**(131)**
Trade and other receivables	**(4,156)**
Cash and cash equivalents	**(891)**
Trade and other payables	**2,777**
Current tax liabilities	**913**
Borrowings	**834**
Attributable goodwill	**(522)**
Attributable tax expense	**213**
	(9,183)
Costs of disposal	**(1,074)**
Gain on disposal	**34,243**
Total consideration	**44,500**
Satisfied by cash	**44,500**

5. FINANCIAL INSTRUMENTS

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts within 70 to 80% of the exposure generated. The Group also enters into forward foreign contracts to manage the risk associated with anticipated sales and purchase transactions out to six months within 40 to 50% of the exposure generated. Forward exchange contracts are carried at fair value through profit and loss.

At the balance sheet date the total notional amount of outstanding forward foreign exchange contracts to which the Group has committed are as below:

	30 June 2015 £'000	30 June 2014 £'000	31 December 2014 £'000
Forward foreign exchange contracts	**2,660**	3,051	1,023

At 30 June 2015, the fair value of the Group's forward foreign exchange contracts is estimated to be approximately £112,000 (2014: £280,000). The fair value has been calculated as the present value of future expected cash flows at market related rates, which are current at the balance sheet date. The value is calculated using readily available market data and represents a level 2 measurement in the fair value hierarchy under IFRS 7.

Other financial assets

	30 June 2015 £'000	30 June 2014 £'000	31 December 2014 £'000
Financial assets carried at fair value through profit and loss	**112**	280	(2)

NOTES TO THE INTERIM RESULTS CONTINUED

6. ANALYSIS OF NET CASH

	30 June 2015 £'000	30 June 2014 £'000	31 December 2014 £'000
Cash*	**48,506**	3,458	2,840
Mortgage & loans – due within one year	**(105)**	(224)	(224)
– due after one year	**(706)**	(1,197)	(1,085)
Finance leases	**—**	(500)	(452)
Net cash	**47,695**	1,537	1,079

* As at 30 June 2015 £45,000,000 was held on short term deposits with a maximum tenure of 32 days.

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