MXC Capital Limited
("MXC", the "Company" or the "Group")
Interim results for the six months ended 28 February 2018

MXC Capital Limited (AIM: MXCP), the AIM quoted technology focused adviser and investor, announces results for the six months ended 28 February 2018.

Highlights

- Strong balance sheet, net assets £63.2 million as at 28 February 2018 (H1 2017: £63.5 million)
    - Total realisations of £2.3 million during the period.
    - Net cash of £5.1 million (H1 2017: £1.7 million), no borrowings
- Net asset value per share 1.88 pence (H1 2017: 1.87 pence) with the underlying portfolio and liquid assets[1] valued at 1.53 pence per share (H1 2017: 1.63 pence)
- Two new business ventures:
    - Joint venture with Liberty Global plc signed in November 2017: fee generating in H2, first investment announced post period end
    - Partnership with Ravenscroft to advise the GIF Technology & Innovation Cell ("GIF") signed in February 2018: first investments made, fee generating in period
- Portfolio valued at £46.4 million[1] at 28 February 2018 (H1 2017: £53.4 million), diminution principally due to decline in valuation of IDE Group Holdings plc ("IDE")
- Trading EBITDA[2] loss of £0.8 million (H1 2017: loss £0.9 million), reflecting investment in developing Liberty Global and GIF relationships
- During and post the period the majority of investee businesses continued to deliver on growth goals:
    - **Castleton Technology plc** ("Castleton") confirmed in line trading for the year ended 31 March 2018 with adjusted EBITDA of not less than £5.0 million, representing continued double digit organic growth.
    - **Tax Systems plc** ("Tax Systems") reported results for the year ended 31 December 2017 in line with market expectations with adjusted EBITDA of £7.0 million representing growth of 11%
    - **IDE** reported disappointing results for the year to 31 December 2017, management are undertaking an ongoing review of the business
    - **Sagacity Solutions Limited** continued to build its product portfolio and broaden its customer base, with a high level of repeat revenues
    - **Adept 4 plc** reported continued progress in the year to 30 September 2017, with trading EBITDA of £1.2 million
- Board remains confident of driving shareholder value from existing portfolio and new business relationships

[1] *represents unaudited valuation based on closing mid-market prices of quoted investments and IFRS valuation of warrants at 28 February 2018 with privately held assets valued at input cost or the latest fundraising valuation, plus outstanding loan capital*

[2] *Trading EBITDA represents earnings before net finance costs, tax, depreciation and amortisation, non-recurring items, share-based payments and realised and unrealised movements in the fair value of investments*

Peter Rigg, Chairman, commented: "The results for the six months show progress with the majority of our existing investments and with both our joint venture with Liberty Global and our role with the technology fund in Guernsey. The Board remains confident that MXC will deliver good returns for shareholders, both from the existing portfolio and from these two exciting new business relationships".

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About MXC Capital

MXC is a technology focused adviser and investor with a track record of supporting growth companies in the TMT sector. We bring together a deep knowledge of technology, first-hand experience of managing companies in the sector, an ability to make meaningful investments and a highly experienced corporate advisory team in support, all of which we combine to grow shareholder value.

Interim review

The six months to the end of February 2018 have been a busy period, both with our existing investments as well as with two exciting new opportunities that provide an added dimension to our business.

During the six months, the majority of our investments made steady progress with the exception of IDE (formerly Coretx Group Holdings plc) which has significantly underperformed. The value of our investment in IDE decreased by £4.2 million during the period and there has been a further fall of c.£3.6 million since the period end to the end of April. There has recently been senior management change at the company and we understand the IDE board is fundamentally reviewing the company's business model. We continue to believe that there is meaningful underlying value in the company and post the period end bought shares, increasing our holding in the company to 21.9%.

Other of our investments are performing well, such as our most mature asset, Castleton. During the period, we exercised our options in the business resulting in a cash receipt, post period end, of £1.6 million. In April 2018, we raised a further £0.5 million by selling shares. The price at which we sold these shares, taking into account the proceeds of the option exercise, represented a 3x return on the cost of our investment in Castleton. We retain a 24.5% interest in the company and continue to believe it has great potential. A more recent investment, Tax Systems, is making steady progress, achieving year-on-year organic and comparable revenue and adjusted EBITDA growth of 10% and 11% respectively, with 90% recurring revenues and 98% cash conversion.

During the period, a great deal of resource was dedicated to making two new investment opportunities a reality. We are proud to have been selected by Liberty Global plc ("Liberty Global"), the world's largest TV and broadband company, to partner with them in a joint venture to build a UK IT services business of scale over the next three years. MXC is receiving fees during the life of the joint venture and a share of the profit on its eventual disposal. Post period end, in April 2018, the joint venture announced its first investment, the acquisition of SICL Limited, a Leeds based, award winning IT infrastructure and network specialist.

Also during the period, we finalised a partnership with Guernsey based investment services group Ravenscroft Limited to act as consultant to a newly launched technology fund, GIF Technology & Innovation Cell (the "GIF"), a protected cell of Guernsey Investment Fund PCC Limited. The GIF has three founding investors, the States of Guernsey, Pula Investments (the family office of Stephen Lansdown) and MXC. MXC is receiving a share of the management and performance fees payable in relation to the fund. The GIF has already made its maiden investments and intends to be an active investor in the technology sector.

The Liberty Global joint venture and the GIF have several characteristics in common. In the first instance, it is a tremendous vote of confidence in MXC's ability to identify and transact in the technology sector that the States of Guernsey and a global company of the stature of Liberty Global have both selected MXC to be their partner. Both opportunities play to MXC's strengths: the IT services sector is one that we know better than most and the broader, mid-sized technology sector is our proven area of expertise. These new relationships also mark an important step change in the MXC model, as co-investing in and advising third party funds affords us access to greater opportunities as well as returns.

At the period end, the company retained £5.1 million in cash with no borrowings and a strong balance sheet. A share buyback programme was undertaken in the previous financial year and it is the Board's intention that this should be continued where appropriate. We do not believe that the current level of our share price fairly reflects the quality of our assets or the opportunity for shareholder returns that MXC represents.

The Board remains confident that MXC will deliver good returns for shareholders, both from the existing portfolio and these exciting new business relationships.

Financial Review

Trading Results

The results for the six months reflect trading from each element of the Group's model: its investments, its corporate finance practice and its advisory business.

Revenue

Together, these divisions delivered consolidated revenue for the period of £0.3 million (H1 2017: £0.6 million). The analysis of revenues and trading by segment is shown in note 2 to these interim statements. The fall in revenue in the period is a result of a change in the Group's operating model whereby certain former partners of the Group are now employed directly by the Group's investee companies rather than by MXC. In addition, significant resources have been invested in securing the agreements with the GIF and Liberty Global and in building the respective investment pipelines. The Group's agreement with the GIF has already begun to generate revenue at the end of the period and the joint venture with Liberty Global has started to generate revenue post period end.

Movement in value of investments

The Group prepares its accounts in accordance with IFRS as adopted by the EU, accounting for its investments under IAS 28. This accounting standard mandates that all changes to the fair value of investments are shown in profit or loss, irrespective of whether those changes are considered short-term or permanent. The Group's profit or loss for any given period is, therefore, directly affected by the period-end share price of its investee companies, which, given the nature of the Group's investee companies, can be quite volatile, especially in the early stages of investment. The Group suffered a fall in the fair value of its investment portfolio in the period of £5.0 million (H1 2017: £15.7 million), which is directly reflected in the consolidated statement of profit or loss. The movement in the value of investments is detailed in the investments table below.

Administrative expenses

Administrative expenses were incurred in the running of all Group entities and include the cost of the Board and its advisers, and the fees associated with maintaining the AIM listing. The Group has continued to control its costs during the period, whilst retaining the capability to originate and execute investments and transactions for its investee companies and co-investors. Total administrative expenses for the period were £1.4 million (H1 2017: £3.0 million). The Group's share incentives, implemented in September 2015, have now largely vested and therefore the share-based payments charge in the half year reduced to £0.2 million (H1 2017: £1.4 million). Excluding this non-cash charge, other administrative expenses fell during the period by £0.4 million from £1.6 million in H1 2017 to £1.2 million in H1 2018. This fall predominantly relates to a reduction in staff costs, as explained in 'Revenue' above.

Trading EBITDA

As any changes in the fair value of the Group's investment portfolio at any given point in time can affect profit or loss significantly, the Board measures the underlying trading performance of the Group excluding the gains or losses on its investments. This is based on a measure of EBITDA (earnings before interest, tax, depreciation and amortisation) before movements in the value of its investments and before certain non-trading items such as share-based payments and one-off items ('Trading EBITDA'). The Trading EBITDA loss for the period to 28 February 2018 was £0.8 million (H1 2017: £0.9 million). In addition, the Board also measures performance based on the Trading EBITDA stated after one-off gains on the sale of investments acquired for short-term trading where such disposals have been made ('Adjusted EBITDA'), as was the case in the previous financial period. Adjusted EBITDA loss in H1 2018 was £0.8 million (H1 2017: profit £0.1 million), with the previous period's profit resulting from the disposal of short-term investments.

Loss for the period

After all costs (including the changes in the fair value of investments), together with a tax credit of £0.3 million (H1 2017: £nil) in relation to the release of a deferred tax provision, the reported Group loss for the period was £5.8 million (H1 2017: £16.8 million).

Investments

As detailed above, the first half of the year saw MXC sign agreements with Liberty Global and the GIF. During the period, the Group developed its pipeline of potential co-investments with both of these entities and since the period end, both the GIF and the Liberty Global have made their maiden investments and expect to make further investments in the near-term.

During H1, total proceeds of £2.3 million were raised from the disposal of investments and the exercise of options. As at 28 February 2018, £0.6 million of these proceeds had been received. The remainder was received on its due date post-period end and is reflected within trade and other receivables in the statement of financial position.

At the half year end, the Group had outstanding loan capital of £0.9 million and its investment portfolio was valued at £45.5 million as shown in the table below:

	Fair value at 1 September 2017	Change in fair value in period	Disposal/ exercise proceeds	**Fair value at 28 February 2018**	Cost of investments held at 28 February 2018	Total unrealised gain/(loss) as at 28 February 2018
	£000	£000	£000	**£000**	£000	£000
Castleton Technology plc	13,314	450	-	**13,764**	5,682	8,082
Adept 4 plc	2,767	(1,404)	-	**1,363**	2,598	(1,235)
IDE Group Holdings plc	14,405	(4,240)	(257)	**9,908**	12,648	(2,740)
Tax Systems plc	12,161	152	-	**12,313**	10,054	2,259
Redcentric plc	150	(2)	(148)	**-**	-	-
Private companies	7,745	-	(193)	**7,552**	6,750	802
Total investments	50,542	(5,044)	(598)	**44,900**	37,732	7,168
Warrants	2,186	29	(1,662)	**553**	-	553
Total investments and warrants	52,728	(5,015)	(2,260)	**45,453**	37,732	7,721

Cash flow

The Group's cash outflow from operating activities in the period was £0.6 million (H1 2017: £2.5 million) and proceeds from the sale of investments during the half year of £0.6 million were received. The net cash balance at 28 February 2018 was £5.1 million (31 August 2017: £5.1 million).

Net assets

Net assets at the end of the period were £63.2 million (28 February 2017: £63.5 million).

Unaudited interim consolidated statement of profit or loss
for the six months ended 28 February 2018

	Note	**Unaudited 6 months to 28 February 2018 £000**	Unaudited 6 months to 28 February 2017 £000	Audited Year to 31 August 2017 £000
Continuing operations				
Revenue		**296**	581	1,089
Realised profit on disposal of short-term investments		**-**	985	3,324
Movement in fair value of investments	4	**(5,015)**	(15,675)	(11,242)
Cost of sales		**(11)**	(17)	(41)
Gross loss		**(4,730)**	(14,126)	(6,870)
Other income		**-**	281	281
Administrative expenses		**(1,378)**	(2,959)	(5,194)
Trading EBITDA[1]		**(838)**	(878)	(1,644)
Realised profit on disposal of short-term investments		**-**	985	3,324
Adjusted EBITDA[2]		**(838)**	107	1,680
Non-recurring income included within other income		**-**	280	280
Share-based payments charge		**(187)**	(1,430)	(2,329)
Movement in fair value of investments		**(5,015)**	(15,675)	(11,242)
Depreciation		**(56)**	(74)	(148)
Amortisation of intangible assets		**(12)**	(12)	(24)
Operating loss		**(6,108)**	(16,804)	(11,783)
Finance income		**21**	47	81
Finance costs		**(27)**	(45)	(106)
Loss on ordinary activities before taxation		**(6,114)**	(16,802)	(11,808)
Tax credit on profit on ordinary activities		**347**	2	6
Loss for the period		**(5,767)**	(16,800)	(11,802)
Loss per share				
Basic	3	**(0.17)p**	(0.49)p	(0.35)p
Diluted	3	**(0.17)p**	(0.49)p	(0.35)p

(1) earnings from trading activities before interest, tax, depreciation, amortisation, non-recurring items, share-based payments and realised and unrealised movements in fair value of investments.
(2) earnings from trading activities before interest, tax, depreciation, amortisation, non-recurring items, share-based payments and unrealised movements in fair value of investments.

Unaudited interim consolidated statement of financial position as at 28 February 2018

	Note	**Unaudited 28 February 2018 £000**	Unaudited 28 February 2017 £000	Audited 31 August 2017 £000
Non-current assets				
Intangible assets		**11,428**	11,560	11,441
Property, plant and equipment		**96**	258	185
Investments	4	**45,453**	51,449	52,728
Loans receivable		**707**	1,828	735
		57,684	65,095	65,089
Current assets				
Trade and other receivables		**2,124**	1,084	775
Cash and cash equivalents		**5,063**	5,345	5,075
		7,187	6,429	5,850
Total assets		**64,871**	71,524	70,939
Current liabilities				
Trade and other payables		**(603)**	(796)	(664)
Income tax payable		**(25)**	(1,925)	(15)
Borrowings		**(25)**	(3,695)	(45)
Other financial liabilities		**(191)**	(214)	(188)
		(844)	(6,630)	(912)
Non-current liabilities				
Borrowings		**(2)**	(111)	(88)
Other financial liabilities		**(826)**	(1,016)	(813)
Deferred tax liability		**-**	(288)	(347)
		(828)	(1,415)	(1,248)
Total liabilities		**(1,672)**	(8,045)	(2,160)
Net assets		**63,199**	63,479	68,779
Capital and reserves attributable to equity holders of the parent				
Share premium		**59,464**	60,061	59,464
Share-based payments reserve		**5,866**	4,780	5,679
Merger reserve		**(23,712)**	(23,712)	(23,712)
Retained earnings		**21,581**	22,350	27,348
Total equity attributable to the owners of the parent		**63,199**	63,479	68,779

Unaudited interim consolidated statement of changes in equity
for the six months ended 28 February 2018

	Share premium £000	Share-based payments reserve £000	Merger reserve [1] £000	Retained earnings £000	Total £000
Balance at 1 September 2016	61,936	3,350	(23,712)	39,150	80,724
Loss for the period	-	-	-	(16,800)	(16,800)
Transactions with owners					
Issue of share capital	1,200	-	-	-	1,200
Purchase of own shares	(3,075)	-	-	-	(3,075)
Share-based payments charge	-	1,430	-	-	1,430
	(1,875)	1,430	-	-	(445)
Balance at 28 February 2017	**60,061**	**4,780**	**(23,712)**	**22,350**	**63,479**
Profit for the period	-	-	-	4,998	4,998
Transactions with owners					
Purchase of own shares	(597)	-	-	-	(597)
Share-based payments charge	-	899	-	-	899
	(597)	899	-	-	302
Balance at 31 August 2017	**59,464**	**5,679**	**(23,712)**	**27,348**	**68,779**
Loss for the period	-	-	-	(5,767)	(5,767)
Transactions with owners					
Share-based payments charge	-	187	-	-	187
Balance at 28 February 2018	**59,464**	**5,866**	**(23,712)**	**21,581**	**63,199**

(1) The merger reserve relates to the acquisition by MXC Capital Limited of its subsidiary, MXC Capital (UK) Limited. This acquisition did not meet the definition of a business combination and therefore fell outside the scope of IFRS 3. The acquisition was accounted for in accordance with the principles of predecessor value method accounting and a merger reserve arises on consolidation.

Unaudited interim consolidated statement of cash flows
for the six months ended 28 February 2018

	Unaudited 6 months to 28 February 2018 £000	Unaudited 6 months to 28 February 2017 £000	Audited Year to 31 August 2017 £000
Cash flows from operating activities			
Loss before taxation	**(6,114)**	(16,802)	(11,808)
Adjustments for:			
Realised gain on disposal of short-term investments	**-**	(985)	(3,324)
Movement in fair value of investments	**5,015**	15,675	11,242
(Profit)/loss on disposal of PPE	**(17)**	-	2
Share-based payments charge	**187**	1,430	2,329
Net finance (income)/costs	**6**	(2)	25
Depreciation	**56**	74	148
Amortisation	**12**	12	24
Decrease/(increase) in trade and other receivables	**318**	(136)	187
Decrease in trade and other payables	**(40)**	(1,583)	(1,474)
Corporation tax received/(paid)	**10**	(166)	(2,012)
Net cash flows used in operating activities	**(567)**	(2,483)	(4,661)
Cash flows from investing activities			
Payments to acquire property, plant and equipment	**(47)**	-	(2)
Proceeds from disposal of property, plant and equipment	**6**	-	-
Purchases of investments	**-**	(5,990)	(6,780)
Proceeds from disposal of investments	**598**	2,611	8,894
Loans advanced	**-**	(275)	(275)
Loan repayments received	**39**	5	1,003
Net cash flows from/(used in) investing activities	**596**	(3,649)	2,840
Cash flows from financing activities			
Net proceeds from issue of equity	**-**	1,200	1,200
Net costs of purchase of own shares	**-**	(3,075)	(3,672)
Interest paid	**(27)**	(45)	(106)
Borrowings and other liabilities repaid	**(14)**	(19)	(288)
Net cash flows used in financing activities	**(41)**	(1,939)	(2,866)
Net decrease in cash and cash equivalents	**(12)**	(8,071)	(4,687)
Cash and cash equivalents at beginning of period	**5,075**	9,762	9,762
Cash and cash equivalents at end of period	**5,063**	1,691	5,075
Comprising:			
Cash and cash equivalents	**5,063**	5,345	5,075
Overdraft	**-**	(3,654)	-
	5,063	1,691	5,075

Notes to the consolidated unaudited interim financial statements

1. Basis of preparation

These interim financial statements, which are unaudited, consolidate the results of MXC Capital Limited (the "Company" or the "Parent") and its subsidiary undertakings (the "Group") up to 28 February 2018. The Group's accounting reference date is 31 August. The Company's shares are listed on the AIM market of the London Stock Exchange. The Company is a private limited liability company incorporated and domiciled in Guernsey. The consolidated financial information is presented in Pounds Sterling (£) which is also the functional currency of the Parent.

The Group has not applied IAS 34, Interim Financial Reporting, which is not mandatory for UK AIM listed groups, in the preparation of these interim financial statements. The accounting policies used in the preparation of the financial information for the six months ended 28 February 2018 are in accordance with the recognition and measurement criteria of International Financial Reporting Standards as adopted by the European Union (IFRS) and The Companies (Guernsey) Law, 2008 (as amended) and are consistent with those which will be adopted in the annual financial statements for the year ending 31 August 2018. While the financial information included has been prepared in accordance with the recognition and measurement criteria of IFRS, these financial statements do not contain sufficient information to comply with IFRS. The consolidated interim financial information should be read in conjunction with the annual financial statements of MXC Capital Limited for the year ended 31 August 2017, which have been prepared in accordance with IFRS.

The comparative financial information for the six months ended 28 February 2017 has been extracted from the interim financial statements for that period. The comparative financial information for the year ended 31 August 2017 has been extracted from the annual financial statements of the Group.

These interim financial statements are prepared on a going concern basis. The Group meets its day-to-day working capital requirements through its existing cash reserves, which are sufficient to meet currently maturing obligations as they fall due. The directors have reviewed the Group's financial projections and, given the cash balances the Group holds are satisfied that it is appropriate to prepare these consolidated interim financial statements on a going concern basis. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

These interim financial statements for the period ended 28 February 2018, which are not audited, do not comprise statutory accounts within the meaning of The Companies (Guernsey) Law, 2008 (as amended). The financial information does not therefore include all of the information and disclosures required in the annual financial statements. The full audited accounts of the Group in respect of the year ended 31 August 2017 received an unqualified audit opinion.

2. Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Makers ("CODM"). The CODM has been identified as the board of directors (the "Board").

The Board is responsible for strategic decision making and for assessing the performance of the operating segments. The operating segments are defined by distinctly separate product offerings or markets. The CODM assesses the performance of the operating segments based on the Trading and Adjusted EBITDA generated by each segment. Assets and liabilities are monitored by the CODM on a group basis and not per individual segment, therefore that analysis is not provided below.

All revenue originates in the United Kingdom or Guernsey. Third party revenue is detailed in the segmental analysis below as are charges for professional services rendered between the Group's operating segments. Recharges of costs between segments are excluded from the revenue analysis below, in line with the internal reporting to the CODM.

The Group is comprised of the following main operating segments:

Capital Markets segment – the Group's FCA regulated corporate finance and related services division.

Advisory segment – the Group's advisory and consultancy division, responsible for originating and advising on investments and investment opportunities and providing operational and strategic guidance to clients.

Central – all other activities of the Group in performing its principal activity of the provision of advisory and investment services, including the management of its investments, are considered together by the CODM.

Unaudited results for the six months ended 28 February 2018

	Capital Markets £000	Advisory £000	Central £000	Inter-segment transactions £000	Total £000
Revenues:					
Third party	156	140	-	-	296
Inter-segment	-	514	-	(514)	-
Total revenue	**156**	**654**	**-**	**(514)**	**296**
Trading EBITDA[1]	**(226)**	**301**	**(913)**	**-**	**(838)**
Realised profit on disposal of short-term investments	**-**	**-**	**-**	**-**	**-**
Adjusted EBITDA[2]	**(226)**	**301**	**(913)**	**-**	**(838)**
Share-based payments charge	(63)	(124)	-	-	(187)
Depreciation	-	(18)	(38)	-	(56)
Amortisation of intangible assets	(12)	-	-	-	(12)
Movement in fair value of investments	-	-	(5,015)	-	(5,015)
Operating loss	**(301)**	**159**	**(5,966)**	**-**	**(6,108)**
Finance income	-	-	21	-	**21**
Finance costs	-	(1)	(26)	-	**(27)**
Loss before taxation	**(301)**	**158**	**(5,971)**	**-**	**(6,114)**

(1) earnings from trading activities before interest, tax, depreciation, amortisation, non-recurring items, share-based payments and realised and unrealised movements in fair value of investments.

(2) earnings from trading activities before interest, tax, depreciation, amortisation, non-recurring items, share-based payments and unrealised movements in fair value of investments.

Unaudited results for the six months ended 28 February 2017

	Capital Markets £000	Advisory £000	Central £000	Inter-segment transactions £000	Total £000
Revenues:					
Third party	145	436	-	-	581
Inter-segment	-	550	-	(550)	-
Total revenue	**145**	**986**	**-**	**(550)**	**581**
Trading EBITDA[1]	**(273)**	**309**	**(914)**	**-**	**(878)**
Realised profit on disposal of short-term investments	**-**	**-**	**985**	**-**	**985**
Adjusted EBITDA[2]	**(273)**	**309**	**71**	**-**	**107**
Non-recurring income	-	-	280	-	280
Share-based payments charge	(607)	(823)	-	-	(1,430)
Depreciation	-	(28)	(46)	-	(74)
Amortisation of intangible assets	(12)	-	-	-	(12)
Movement in fair value of investments	-	-	(15,675)	-	(15,675)
Operating loss	**(892)**	**(542)**	**(15,370)**	**-**	**(16,804)**
Finance income	-	-	47	-	**47**
Finance costs	-	(8)	(37)	-	**(45)**
Loss before taxation	**(892)**	**(550)**	**(15,360)**	**-**	**(16,802)**

[1] earnings from trading activities before interest, tax, depreciation, amortisation, non-recurring items, share-based payments and realised and unrealised movements in fair value of investments.

[2] earnings from trading activities before interest, tax, depreciation, amortisation, non-recurring items, share-based payments and unrealised movements in fair value of investments.

3. Loss per share

The calculation of basic and diluted loss per share is based on results attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the year. The weighted average number of shares for the purpose of calculating the basic and diluted measures in the six months to 28 February 2018 and 2017 is the same. This is because the outstanding options would have the effect of reducing the loss per ordinary share and therefore would be anti-dilutive under the terms of IAS 33.

Basic and diluted unaudited loss per share are calculated as follows:

	6 months to 28 February 2018 Loss per share pence	**6 months to 28 February 2018 Loss £000**	**28 February 2018 Weighted average number of ordinary shares**	6 months to 28 February 2017 Loss per share pence	6 months to 28 February 2017 Loss £000	28 February 2017 Weighted average number of ordinary shares
Basic loss per share	**(0.17)p**	**(5,767)**	**3,357,767,484**	(0.49)p	(16,800)	3,405,203,617
Diluted loss per share	**(0.17)p**	**(5,767)**	**3,357,767,484**	(0.49)p	(16,800)	3,405,203,617

4. Investments

The movement on investments in the period, together with an analysis of investments held, is detailed in the table shown in the 'Investments' section of the Financial Review to these Interim results.