

# Titon Holdings Plc

## Business Review

### Financial performance

Group Profit before Taxation for the six-month period ended 31 March 2016 was £735,000 (2015: £792,000) on Revenues 1.4% higher at £10,850,000 (2015: £10,699,000).

Earnings per share for the period were 4.55p (2015: 4.59p) and the Directors have declared an unchanged interim dividend of 1.25p per share (2015: 1.25p per share).

Net Cash Balances at 31 March 2016 were £2,458,000 (2015: £2,413,000).

### Trading commentary

It is disappointing to report a small fall in Group Profit Before Tax for the six months ended 31<sup>st</sup> March 2016, down by £57,000, although earnings per share for the period is only fractionally behind last year's result. In summary our performance in Korea has been lower than in the last period, the UK is largely flat but the results from our US business have risen.

Our overall revenue has risen slightly by 1.4% against the last period and we have seen sales rise in the UK marginally and a good rise in the USA. However, we have seen a slight fall in sales in Korea, down by about 2% in the period.

In the UK the performance of our Timber and PVCu Window and Door Hardware division has been disappointing as both sales and profit contribution have fallen below last year. There are a few one off factors that have contributed to this and the contribution from the new hardware products has continued to be disappointing but we are committed to improve our performance here. The Aluminium division has had a very good first half year with both sales and profits up. In our Ventilation Systems Division we saw a very weak start to the period in October 2015, which was echoed by other manufacturers in the sector. Sales have recovered from then and by March 2016 sales had largely recovered from the weak start, which is encouraging.

Outside the UK Ventilation Systems Export sales have risen strongly against the comparable period and we have now seen some consistent customer purchasing, which is pleasing. Sales to our Hardware customers in Europe have fallen slightly but sales by Titon Inc. in the USA have grown helped by a contract to install our products into a large refurbishment project. Our Titon Korea sales are slightly below the prior period and the contribution from Titon Korea has fallen due to lower transfer prices on sales to our Associate, Browntech Sales ("BTS") and some higher administration costs. BTS sales to customers are slightly in front of the prior period as is the profit contribution from BTS.

### Investor relations

I have thought for some time that Titon is "below the radar screen" as far as the London stock market is concerned and I am keen to change this to enhance Titon's value. Many shareholders will be aware that in early 2016 we appointed Hardman & Co. to write some research on Titon and to introduce the Company to a range of institutional and high net worth investors. Hardman & Co. published a comprehensive research report on Titon in March and David Ruffell and I have met with a number of institutions since then to introduce Titon to them. We also attended an investor evening organised by Hardman where we presented Titon to about 50 largely high net worth investors. We will continue to "bang the drum" for Titon in the second half year. If any shareholder would like to read this research then please let me know.

## Business Review (continued)

### Prospects

We are now within 6 weeks of the referendum to decide if the United Kingdom should remain within the EU and the decision will have significant implications for the UK economy. If we remain in the EU then a major source of uncertainty about the future will be removed; if we vote to leave then the uncertainty we have now will be magnified and will remain a significant risk for the economy for several years to come, as has been pointed out by many commentators. Markets generally prefer stability and we are the same. This gives us, our customers and stakeholders a set of familiar circumstances to make decisions, which is not the same as certainty, I should add. Additionally, we want to continue to have unrestricted access to EU markets both for our suppliers and customers and we also want a good supply of people from Europe as our own unemployment rate moves down towards 5% of the workforce. Accordingly, it is difficult to make many predictions about our own prospects in the UK with the current uncertainty, but the shortage of housing in the UK will remain whatever the result of the referendum. We do anticipate that sales of mechanical ventilation systems will continue to expand in the second half.

In Korea, as we have previously indicated, we are expecting a lower rate of growth for this year as competition increases. However, we remain very positive about the Korean economy and have agreed with BTS that they will continue to look for interesting investments in the property sector. Elsewhere, we are expecting good sales in the USA and Europe and will continue to devote more resources to these markets.

Our balance sheet remains very strong and this gives us the opportunity to invest in new products and a strong research and development programme. I expect this to continue in the second half year. We have a good team of people who work for Titon and I would like to extend my thanks to all of them for the hard work and dedication that they have made and continue to show.

### Principal risk and uncertainties

The key financial and non-financial risks faced by the Group are disclosed in the Group's Annual Report and Accounts for the year ended 30 September 2015 within the Report on Risk Management (pages 9 to 13) available at [www.titonholdings.com](http://www.titonholdings.com). The Board considers that these remain a current reflection of the risks and uncertainties facing the business. The Board also considers that it is appropriate to adopt the going concern basis of accounting in preparing these financial statements and has not identified any material uncertainties which would prevent us so doing.

### Responsibility Statement

The Directors confirm that, to the best of their knowledge, this condensed set of consolidated financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that this Interim Report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The Directors of Titon Holdings Plc are listed on page 15 of this document. A list of current directors is maintained on the Group's website [www.titonholdings.com](http://www.titonholdings.com).

On behalf of the Board

**KA Ritchie**  
Chairman

**11 May 2016**

## Titon Holdings Plc

### Consolidated Interim Income Statement

for the six months ended 31 March 2016

		<b>6 months to 31.3.16</b>	6 months to 31.3.15	Year to 30.9.15
		<b>unaudited</b>	unaudited	audited
	Note	<b>£'000</b>	£'000	£'000
<b>Revenue</b>	2	<b>10,850</b>	10,699	22,258
Cost of sales		<b>(8,031)</b>	(7,850)	(16,280)
<b>Gross profit</b>		<b>2,819</b>	2,849	5,978
Distribution costs		<b>(341)</b>	(350)	(628)
Administrative expenses		<b>(1,938)</b>	(1,871)	(3,799)
Other income		<b>8</b>	-	11
<b>Operating profit</b>		<b>548</b>	628	1,562
Finance income		<b>4</b>	2	9
Share of profits from associates		<b>183</b>	162	298
<b>Profit before tax</b>		<b>735</b>	792	1,869
Income tax expense	3	<b>(120)</b>	(116)	(160)
<b>Profit after income tax</b>		<b>615</b>	676	1,709
<b>Attributable to:</b>				
Equity holders of the parent		<b>485</b>	482	1,333
Non-controlling interest		<b>130</b>	194	376
<b>Profit for the period</b>		<b>615</b>	676	1,709
Earnings per share - basic	5	<b>4.55p</b>	4.59p	12.60p
- diluted	5	<b>4.46p</b>	4.49p	12.27p

### Consolidated Interim Statement of Comprehensive Income

for the six months ended 31 March 2016

		<b>6 months to 31.3.16</b>	6 months to 31.3.15	Year to 30.9.15
		<b>unaudited</b>	unaudited	audited
		<b>£'000</b>	£'000	£'000
<b>Profit for the period</b>		<b>615</b>	676	1,709
Other comprehensive income – items which may be reclassified to profit or loss in subsequent periods:				
Exchange difference on re-translation of Net assets of overseas operations		<b>76</b>	83	(90)
<b>Total comprehensive income for the period</b>		<b>691</b>	759	1,619
<b>Attributable to:</b>				
Equity holders of the parent		<b>511</b>	565	1,258
Non-controlling interest		<b>180</b>	194	361
		<b>691</b>	759	1,619

The notes on pages 7 to 14 form an integral part of this condensed interim information.

# Titon Holdings Plc

## Consolidated Statement of Financial Position

at 31 March 2016

	Note	31.3.16 unaudited £'000	31.3.15 unaudited £'000	30.9.15 audited £'000
<b>Assets</b>				
Property, plant and equipment	6	3,443	3,252	3,218
Intangible assets		563	608	623
Investments in associates		979	660	796
Deferred tax		83	28	83
<b>Total non-current assets</b>		<b>5,068</b>	4,548	4,720
Inventories		3,884	3,820	3,786
Trade and other receivables		5,426	4,889	4,992
Cash and cash equivalents		2,458	2,413	2,870
<b>Total current assets</b>		<b>11,768</b>	11,122	11,648
<b>Total Assets</b>		<b>16,836</b>	15,670	16,368
<b>Liabilities</b>				
Deferred tax		19	19	19
<b>Total non-current liabilities</b>		<b>19</b>	19	19
Trade and other payables		4,015	4,162	4,131
Corporation tax		112	185	125
<b>Total current liabilities</b>		<b>4,127</b>	4,347	4,256
<b>Total Liabilities</b>		<b>4,146</b>	4,366	4,275
<b>Equity</b>				
Share capital		1,085	1,056	1,063
Share premium reserve		939	865	891
Capital redemption reserve		56	56	56
Treasury shares		(27)	(27)	(27)
Translation reserve		(26)	106	(52)
Retained earnings		9,440	8,372	9,119
<b>Total Equity attributable to the equity holders of the parent</b>		<b>11,467</b>	10,428	11,050
<b>Non-controlling Interest</b>		<b>1,223</b>	876	1,043
<b>Total Equity</b>		<b>12,690</b>	11,304	12,093
<b>Total Liabilities and Equity</b>		<b>16,836</b>	15,670	16,368

The notes on pages 7 to 14 form an integral part of this condensed interim information.

## Titon Holdings Plc

### Consolidated Interim Statement of Changes in Equity

at 31 March 2016

	Share capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Transla tion reserve £'000	Treasury Shares £'000	Retained earnings £'000	Total £'000	Non- controlling interest £'000	Total Equity £'000
<b>At 1 October 2014</b>	<b>1,056</b>	<b>865</b>	<b>56</b>	<b>23</b>	<b>(27)</b>	<b>8,023</b>	<b>9,996</b>	<b>682</b>	<b>10,678</b>
Translation differences on overseas operations	-	-	-	83	-	-	<b>83</b>	-	<b>83</b>
Profit for the period	-	-	-	-	-	482	<b>482</b>	194	<b>676</b>
Total comprehensive income for the period	-	-	-	83	-	482	<b>565</b>	194	<b>759</b>
Dividends paid	-	-	-	-	-	(157)	<b>(157)</b>	-	<b>(157)</b>
Share-based payment expense	-	-	-	-	-	24	<b>24</b>	-	<b>24</b>
<b>At 31 March 2015</b>	<b>1,056</b>	<b>865</b>	<b>56</b>	<b>106</b>	<b>(27)</b>	<b>8,372</b>	<b>10,428</b>	<b>876</b>	<b>11,304</b>
Translation differences on overseas operations	-	-	-	(158)	-	-	<b>(158)</b>	(15)	<b>(173)</b>
Profit for the period	-	-	-	-	-	851	<b>851</b>	182	<b>1,033</b>
Total comprehensive income for the period	-	-	-	(158)	-	851	<b>693</b>	167	<b>860</b>
Dividends paid	-	-	-	-	-	(132)	<b>(132)</b>	-	<b>(132)</b>
Share-based payment expense	-	-	-	-	-	28	<b>28</b>	-	<b>28</b>
Ordinary shares issued	7	26	-	-	-	-	<b>33</b>	-	<b>33</b>
<b>At 30 September 2015</b>	<b>1,063</b>	<b>891</b>	<b>56</b>	<b>(52)</b>	<b>(27)</b>	<b>9,119</b>	<b>11,050</b>	<b>1,043</b>	<b>12,093</b>
Translation differences on overseas operations	-	-	-	26	-	-	<b>26</b>	50	<b>76</b>
Profit for the period	-	-	-	-	-	485	<b>485</b>	130	<b>615</b>
Total comprehensive income for the period	-	-	-	26	-	485	<b>511</b>	180	<b>691</b>
Dividends paid	-	-	-	-	-	(188)	<b>(188)</b>	-	<b>(188)</b>
Share-based payment expense	-	-	-	-	-	24	<b>24</b>	-	<b>24</b>
Ordinary shares issued	22	48	-	-	-	-	<b>70</b>	-	<b>70</b>
<b>At 31 March 2016</b>	<b>1,085</b>	<b>939</b>	<b>56</b>	<b>(26)</b>	<b>(27)</b>	<b>9,440</b>	<b>11,467</b>	<b>1,223</b>	<b>12,690</b>

The notes on pages 7 to 14 form an integral part of this condensed interim information.

## Titon Holdings Plc

### Consolidated Interim Statement of Cash Flows

for the six months ended 31 March 2016

	Note	6 months to 31.3.16 unaudited £'000	6 months to 31.3.15 unaudited £'000	Year to 30.9.15 audited £'000
<b>Cash generated from operating activities</b>				
Profit before tax		735	792	1,869
Depreciation of property, plant & equipment		197	198	403
Amortisation on intangible assets		82	83	163
Increase in inventories		(44)	(281)	(363)
Increase in receivables		(354)	(198)	(491)
(Decrease) / increase in payables and other current liabilities		(174)	350	454
Profit on sale of plant & equipment		(5)	(3)	(4)
Share based payment – equity settled		24	24	52
Interest received		(3)	(2)	(8)
Share of associate's profit		(183)	(162)	(298)
<b>Cash generated from operations</b>		<b>275</b>	<b>801</b>	<b>1,777</b>
<b>Income taxes paid</b>		<b>(133)</b>	<b>(75)</b>	<b>(234)</b>
<b>Net cash generated from operating activities</b>		<b>142</b>	<b>726</b>	<b>1,543</b>
<b>Cash flows from investing activities</b>				
Purchase of plant & equipment	6	(422)	(298)	(498)
Purchase of intangible assets		(22)	(33)	(128)
Proceeds from sale of plant & equipment		5	24	52
Interest received		3	2	8
<b>Net cash used in investing activities</b>		<b>(436)</b>	<b>(305)</b>	<b>(566)</b>
<b>Cash flows from financing activities</b>				
Exercise of share options		70	-	33
Dividends paid to equity shareholders	4	(188)	(157)	(289)
<b>Net cash used in financing activities</b>		<b>(118)</b>	<b>(157)</b>	<b>(256)</b>
<b>Net (decrease) / increase in cash &amp; cash equivalents</b>		<b>(412)</b>	<b>264</b>	<b>721</b>
Cash & cash equivalents at beginning of the period		2,870	2,149	2,149
<b>Cash &amp; cash equivalents at end of the period</b>		<b>2,458</b>	<b>2,413</b>	<b>2,870</b>
Cash & cash equivalents comprise:				
Cash at bank		2,458	2,413	2,870
<b>Cash &amp; cash equivalents at end of the period</b>		<b>2,458</b>	<b>2,413</b>	<b>2,870</b>

The notes on pages 7 to 14 form an integral part of this condensed interim information.

# Notes to the Condensed Consolidated Interim Statements

## at 31 March 2016

### 1 Basis of preparation

Titon Holdings Plc (the 'Company') is a company domiciled in England. The condensed consolidated interim financial statements of the Group for the six months ended 31 March 2016 comprise the Company and its subsidiaries (together referred to as the 'Group').

The IASB has issued the following revised and updated IFRIC amendments which have been adopted although, with the exception of IFRSs 9 and 15 where the Group is still assessing the possible future effect of these Standards, they have no impact on the Group's reporting:

- Annual Improvements to IFRSs 2010-2012 Cycle. These amendments affect the following IFRSs - IFRS 2 Share-based Payment, IFRS 3 Business Combinations, IFRS 8 Operating Segments, IFRS 13 Fair Value Measurement, IAS 16 Property, Plant and Equipment, IAS 38 Intangible Assets, IAS 24 Related Party Disclosures and IAS 38 Intangible Assets.
- Annual Improvements to IFRSs 2011-2013 Cycle. These amendments affect the following IFRSs: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 3 Business Combinations, IFRS 13 Fair Value Measurement and IAS 40 Investment Property.
- Accounting for Acquisitions of Interests in Joint Operations: Amendments to IFRS 11. The amendments require the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except for those principles that conflict with the guidance in IFRS 11. In addition, the acquirer shall disclose the information required by IFRS 3 and other IFRSs for business combinations.
- Clarification of Acceptable Methods of Depreciation and Amortisation: Amendments to IAS 16 and IAS 38. The amendment to IAS 16 clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.
- Agriculture: Bearer Plants: Amendments to IAS 16 and IAS 41. The amendments change the financial reporting for bearer plants, such as grape vines, rubber trees and oil palms.
- Equity Method in Separate Financial Statements (Amendments to IAS 27). The amendments introduce an option for an entity to account for its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements. The accounting approach that is selected is required to be applied for each category of investment.
- Annual Improvements to IFRSs (2012–2014 Cycle). These amendments affect the following IFRSs: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations (Prospective application), IFRS 7 Financial Instruments: Disclosures (Retrospective application), IAS 19 Employee Benefits (Beginning of earliest period presented), IAS 34 Interim Financial Reporting (Retrospective application).
- Disclosure Initiative: Amendments to IAS 1. The IASB has issued amendments to IAS 1 Presentation of Financial Statements as part of an initiative to improve presentation and disclosure in financial reports.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The narrow-scope amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures introduce clarifications to the requirements when accounting for investment entities.
- IFRS 15 Revenue from Contracts with Customers. IFRS 15 is intended to clarify the principles of revenue recognition and establish a single framework for revenue recognition. IFRS 15 supersedes: IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue-Barter Transactions Involving Advertising Services.

The core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

- IFRS 9 Financial Instruments. This IFRS replaces IAS 39 Financial Instruments: Recognition and Measurement in its entirety and uses a single approach to determine whether a financial asset is measured at amortised cost or fair value.

# Notes to the Condensed Consolidated Interim Statements

## at 31 March 2016

### 1 Basis of preparation (continued)

Otherwise, the condensed interim financial statements have been prepared using accounting policies set out in the Report and Accounts 2015 and have been applied consistently to all periods presented in these financial statements. They are in accordance with IAS 34. The six months results for both 31 March 2015 and 2016 have neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board. The financial information for the year end 30 September 2015 does not constitute the full statutory accounts for that period. The Company's Report and Accounts 2015 have been delivered to the Registrar of Companies. The independent auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

The condensed interim financial statements do not constitute full accounts within the meaning of Section 434 of the Companies Act 2006.

The interim report was approved by the Board and authorised for issue on 11 May 2016. Copies of the interim report will be sent to shareholders in the next few weeks.

This statement is being sent to shareholders, will be available on the Group's website at [www.titonholdings.com](http://www.titonholdings.com) and from the Company's registered office at International House, Peartree Road, Stanway, Colchester, Essex CO3 0JL.

### 2 Segment reporting

In identifying its operating segments, management generally follows the Group's reporting lines, which represent the main geographic markets in which the Group operates. The segment reporting below is shown in a manner consistent with the internal reporting provided to the Board, which is the Chief Operating Decision Maker (CODM). These operating segments are monitored and strategic decisions are made on the basis of segment operating results.

The Group operates three main business segments which are:

<b>Segment</b>	<b>Activities undertaken include:</b>
United Kingdom	Sales of passive and powered ventilation products to house builders, electrical contractors and window and door manufacturers. In addition to this, it is a leading supplier of window and door hardware.
South Korea	Sales of passive ventilation products to construction companies.
All other countries	Sales of passive and powered ventilation products to distributors, window manufacturers and construction companies

Inter-segment revenue is transacted on an arm's length basis and charged at prevailing market prices for a specific product and market or cost plus where no direct comparative market price is available. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Research and development entity-wide financial expenses are not allocated to the business activities for which R&D is specifically performed and it is not therefore reported as a separate operating segment. Sales Administration and Other Expenses are not currently allocated to operating segments in the Group's reporting to the CODM, and Other Expenses include mainly central and parent company overheads relating to group management, the finance function and regulatory requirements.

The measurement policies the Group uses for segment reporting under IFRS 8 are the same as those used in its financial statements.

The total assets for the segments represent the consolidated total assets attributable to these reporting segments. Parent company results and consolidation adjustments reconciling the segmental results and total assets to the consolidated financial statements, are included within the United Kingdom segment figures stated below.



**Notes to the Condensed Consolidated Interim Statements**  
at 31 March 2016

**2 Segment reporting (continued)**

Business segment	United Kingdom £'000	South Korea £'000	All other countries £'000	Total £'000
<b>6 months ended 31 March 2016</b>				
Segment revenue	6,031	3,365	1,454	10,850
Inter-segment revenue	-	-	263	263
<b>Total Revenue</b>	<b>6,031</b>	<b>3,365</b>	<b>1,717</b>	<b>11,113</b>
<b>Segment profit</b>	<b>1,115</b>	<b>499</b>	<b>238</b>	<b>1,852</b>
<i>Unallocated expenses</i>				
Research and Development expenses				(295)
Sales Administration expenses				(341)
Other Expenses				(485)
Finance income				4
Profit before tax				735
Tax expense				(120)
<b>Profit for the period</b>				<b>615</b>
Depreciation and amortisation	253	26	-	279
Total assets	11,443	4,950	443	16,836
Total assets include:				
Investments in associates	979	-	-	979
Additions to non-current assets (other than financial instruments and deferred tax assets and excluding changes in value of the non-current asset investment in the associate)	420	23	1	444

The South Korean Segment profit includes the Group's share of the profits from the Associate.

**Notes to the Condensed Consolidated Interim Statements**  
at 31 March 2016

**2 Segment reporting (continued)**

Business segment	United Kingdom £'000	South Korea £'000	All other countries £'000	Total £'000
<b>6 months ended 31 March 2015</b>				
Segment revenue	6,094	3,445	1,160	10,699
Inter-segment revenue	-	-	265	265
<b>Total Revenue</b>	<b>6,094</b>	<b>3,445</b>	<b>1,425</b>	<b>10,964</b>
<b>Segment profit</b>	<b>1,195</b>	<b>661</b>	<b>140</b>	<b>1,996</b>
<i>Unallocated expenses</i>				
Research and Development expenses				(278)
Sales Administration expenses				(349)
Other Expenses				(579)
Finance income				2
Profit before tax				792
Tax expense				(116)
<b>Profit for the period</b>				<b>676</b>
Depreciation and amortisation	265	16	-	281
Total assets	11,204	4,155	314	15,673
Total assets include:				
Investments in associates	660	-	-	660
Additions to non-current assets (other than financial instruments and deferred tax assets and excluding changes in value of the non-current asset investment in the associate)	285	46	-	331

The South Korean Segment profit includes the Group's share of the profits from the Associate.

**Notes to the Condensed Consolidated Interim Statements**  
at 31 March 2016

**2 Segment reporting (continued)**

Business segment	United Kingdom	South Korea	All other countries	Total
	£'000	£'000	£'000	£'000
<b>12 months ended 30 September 2015</b>				
Segment revenue	12,461	7,161	2,636	22,258
Inter-segment revenue	-	-	601	601
<b>Total Revenue</b>	<b>12,461</b>	<b>7,161</b>	<b>3,237</b>	<b>22,859</b>
<b>Segment profit</b>	<b>2,606</b>	<b>1,264</b>	<b>286</b>	<b>4,156</b>
<i>Unallocated expenses</i>				
Research and Development expenses				(535)
Sales Administration expenses				(568)
Other Expenses				(1,193)
Finance income				9
Profit before tax				1,869
Tax expense				(160)
<b>Profit for the period</b>				<b>1,709</b>
Depreciation and amortisation	528	38	-	566
Total assets	11,352	4,600	416	16,368
Total assets include:				
Investments in associates	796	-	-	796
Additions to non-current assets (other than financial instruments and deferred tax assets and excluding changes in value of the non-current asset investment in the associate)	527	99	-	626

The South Korean Segment profit includes the Group's share of the profits from the Associate.

## Notes to the Condensed Consolidated Interim Statements at 31 March 2016

### 2 Segment reporting (continued)

IFRS 8 requires entity-wide disclosures to be made about the regions in which it earns its revenues and holds its non-current assets which are shown below.

<b>6 months ended 31 March 2016</b>	United Kingdom	Europe	USA	South East Asia	All other regions	Total
<b>Revenues</b>	£'000	£'000	£'000	£'000	£'000	£'000
by entities' country of domicile	6,800	-	685	3,365	-	10,850
by country from which derived	6,024	723	685	3,365	53	10,850
<b>Non-current assets</b>						
By entities' country of domicile	4,065	-	2	1,001	-	5,068

One customer accounted for more than 10% of Group revenue and sales to this customer totalled £3.365m (included within South East Asia).

<b>6 months ended 31 March 2015</b>	United Kingdom	Europe	USA	South East Asia	All other regions	Total
<b>Revenues</b>	£'000	£'000	£'000	£'000	£'000	£'000
by entities' country of domicile	6,708	-	546	3,445	-	10,699
by country from which derived	6,094	600	546	3,445	14	10,699
<b>Non-current assets</b>						
By entities' country of domicile	4,299	-	1	251	-	4,551

One customer accounted for more than 10% of Group revenue and sales to this customer totalled £3.445m (included within South East Asia).

<b>12 months ended 30 September 2015</b>	United Kingdom	Europe	USA	South East Asia	All other regions	Total
<b>Revenues</b>	£'000	£'000	£'000	£'000	£'000	£'000
by entities' country of domicile	13,906	-	1,191	7,161	-	22,258
by country from which derived	12,461	1,389	1,191	7,189	28	22,258
<b>Non-current assets</b>						
By entities' country of domicile	3,898	-	1	821	-	4,720

Sales to Browntech Sales Co. Ltd (the Group's associate undertaking in South Korea), of £7.161m represent 32.2% of Group Revenue. There are no other concentrations of revenue above 10% during the year (see Note 7 - Related party transactions).

**Notes to the Condensed Consolidated Interim Statements**  
at 31 March 2016

**3 Tax**

	<b>6 months to 31.3.16</b>	6 months to 31.3.15	Year to 30.9.15
	<b>£'000</b>	£'000	£'000
Current income tax:			
Corporation tax expense	<b>(120)</b>	(127)	(208)
Adjustment in respect of prior years	-	29	11
	<b>(120)</b>	(98)	(197)
Deferred tax:			
Origination and reversal of temporary differences	-	(15)	37
Adjustment in respect of prior years	-	(3)	-
	-	(18)	37
<b>Income tax expense</b>	<b>(120)</b>	(116)	(160)

Tax for the interim period is charged at 25.0% (six months to 31 March 2015: 22.6%) representing the best estimate of the average annual effective income tax rate for the full financial year.

**4 Dividends**

An interim dividend in respect of the six months ended 31 March 2016 of 1.25p per share, amounting to a total dividend of £135,000 was approved by the Directors of Titon Holdings Plc on 11 May 2016. These consolidated interim statements do not reflect the dividend payable.

The interim dividend will be payable on 24 June 2016 to the shareholders on the register on 3 June 2016. The ex-dividend date is 2 June 2016.

The following dividends have been recognised and paid by the Company:

	<b>6 months to 31.3.16</b>	6 months to 31.3.15	Year to 30.9.15
	<b>£'000</b>	£'000	£'000
	<b>Date Paid</b>	<b>Pence per share</b>	
Final in respect of the year end 30.09.14	20.02.15	1.50	-
Interim in respect of the year end 30.09.15	23.06.15	1.25	-
Final in respect of the year end 30.09.15	19.02.16	1.75	-
			<b>188</b>
			157
			289

## Notes to the Condensed Consolidated Interim Statements at 31 March 2016

### 5 Earnings per ordinary share

Basic earnings per share has been calculated by dividing the profits attributable to shareholders by the weighted average number of ordinary shares in issue during the period, being 10,663,414 (six months ended 31 March 2015: 10,505,650; year ended 30 September 2015: 10,575,600).

Diluted earnings per share has been calculated by dividing the profits attributable to shareholders by the weighted average number of ordinary shares and potential dilutive ordinary shares during the period, being 10,877,509 (six months ended 31 March 2015: 10,746,848; year ended 30 September 2015: 10,863,888).

### 6 Property, plant and equipment

#### Additions and disposals

During the six months ended 31 March 2016, the Group acquired assets with a cost of £444,000 (six months to 31 March 2015: £298,000; year ended 30 September 2015: £498,000).

### 7 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions between subsidiary companies and the associate company, which is a related party, were as follows:

	Sale of goods			Amount owed by related party		
	<b>6 months to 31.3.16</b>	6 months to 31.3.15	Year to to 30.9.15	<b>6 months to 31.3.16</b>	6 months to 31.3.15	Year to to 30.9.15
	<b>£'000</b>	£'000	£'000	<b>£'000</b>	£'000	£'000
Browntech Sales Co. Ltd	<b>3,365</b>	3,445	7,161	<b>1,985</b>	2,104	1,976

There have been no additional significant or unusual related party transactions to those disclosed in the Group's Annual Report for 30 September 2015.

### 8 Liability statement

Neither the Group nor the Directors accept any liability to any person in relation to the Interim Statement except to the extent that such liability could arise under English Law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.

## Directors and Advisors

### DIRECTORS

#### Executive

KA Ritchie (Chairman)  
D A Ruffell (Chief Executive)  
T N Anderson  
N C Howlett

#### Non-executive

J N Anderson (Deputy Chairman)

### SECRETARY AND REGISTERED OFFICE

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### COMPANY REGISTRATION NUMBER

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### REGISTRARS AND TRANSFER OFFICE

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