



28 February 2013

MJ GLEESON GROUP PLC
INTERIM ANNOUNCEMENT

Gleeson (GLE.L), the urban regeneration and strategic land specialist, announces its results for the six months to 31 December 2012.

Key Points – Financial

- Revenue from continuing operations increased 39% to £26.1m (2011 restated: £18.8m).
- The operating result improved by £1.5m to a profit of £1.2m (2011 restated: loss £0.3m)
- Profit after tax, including Discontinued Operations, improved by £0.9m to £1.3m (2011 restated: £0.4m).
- An interim dividend of 0.5 pence per share is declared for payment in April 2013
- A strong balance sheet was maintained with a cash balance on 31 December 2012 of £10.2m (30 June 2012: £13.9m)

Key Points – Commercial

Gleeson Homes

- Private development sales increased by 53% to 164 units (2011: 107).
- Overall units sold increased by 27% to 165 units (2011: 130).
- Average selling prices decreased, as anticipated, to £115,000 (2011: £117,000).
- At 31 December 2012, Gleeson Homes was selling from 27 sites.
- The landbank of owned and conditionally purchased plots totalled 3,325 plots at 31 December 2012.

Gleeson Strategic Land

- Three sites comprising a combined acreage of 13 acres were sold.
- Contracts were exchanged for the sale of the first phase of a 77 acre site in Thanet, in which the Group has a 50% interest.
- During the period, planning permission was secured on two sites with a combined total of 151 units.

Current Trading and Prospects

Dermot Gleeson, Chairman, stated: "Gleeson Homes has commenced 2013 with a very encouraging level of visitors and reservations, particularly on its newer and higher margin sites. In addition, Gleeson Strategic land, which continues to enjoy considerable success in securing residential planning permissions, is currently progressing the sale of a number of consented high value green field sites in southern England. Against this background, the Board anticipates further substantial improvements in the Group's trading performance in both the current year and beyond."

Enquiries:

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Chief Executive Officer

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Notes to Editors

MJ Gleeson Group plc operates in the house building sector through the following business units: Gleeson Homes, which focuses on estate regeneration and housing development on brownfield land in the North of England; and Gleeson Strategic Land, which purchases options over land in the South of England with the objective of enhancing the value of the site concerned by securing residential planning permission.

CHAIRMAN'S STATEMENT

Business Overview

In the past eighteen months, Gleeson Homes has more than doubled the number of sites under development and has also raised its reservation rate per site. As a result, the division was able, as envisaged at the time of its restructuring in 2010, to increase unit sales in the six months to December 2012 to the levels required to generate operating profits. What is more, the level of reservations in January 2013 has been extremely encouraging and a further increase in selling outlets is planned for the remainder of the year.

During the period, Gleeson Strategic Land achieved residential planning permission on two sites in the South of England and sold three sites with a combined acreage of 13 acres.

Results

Revenue from continuing operations increased by 39% to £26.1m (2011 restated: £18.8m). This reflected both a rise in the number of units sold by Gleeson Homes and an increase in the value of land sold by Gleeson Strategic Land.

The Group recorded an operating profit of £1.2m (2011 restated: loss £0.3m). There were no exceptional items in the current period's results, whereas the prior period included exceptional credits of £1.2m relating to the partial reversal of provisions for asset valuation write-downs.

Profit before tax increased by £1.5m to £1.3m (2011 restated: loss £0.2m) and the profit for the period attributable to equity holders of the parent company improved to £1.3m (2011 restated: £0.4m).

Discontinued operations recorded a post-tax profit of £34k (2011 restated: £0.6m).

The prior year results have been restated following the reclassification of a number of the Group's businesses that had been in run-off as Discontinued Operations.

Operational Review

Gleeson Homes

Revenue from Gleeson Homes increased by 25% to £19.1m (2011: £15.3m), reflecting a 27% rise in the total number of units sold from 130 to 165. The number of private development units sold increased by 53% from 107 to 164.

The operating result has increased by £1.1m to £0.3m (2011: loss £0.8m). There were no exceptional items in the current period's results, whereas the prior period included exceptional credits of £1.2m relating to the partial reversal of provisions for asset valuation write-downs.

The average selling price for the units sold in the period was £115,000 (2011: £117,000). This decrease, which was anticipated, reflects the strategic decision to concentrate on building low cost homes in regeneration areas. The proportion of units being sold on recently acquired, higher margin sites has improved significantly since the prior year. Only 34% of the units completed in the period were sold from old, low margin sites, compared to 75% in the comparable period. This percentage will continue to decrease as new sites open.

At 31 December 2012, Gleeson Homes was selling from twenty seven sites and a further eight sites are due to open in the period to June 2013.

Gleeson Homes has recently been successful at securing a further £2.0m allocation of funding from the Government's FirstBuy initiative. This additional allocation from a scheme which has proved very popular with our customers will provide assistance for about 170 first time buyers.

The business unit is continuing to increase the scale of its operations very cost effectively by taking advantage of the historically low land prices that still prevail in many parts of the North of England. Gleeson Homes' land bank totalled 3,325 plots at 31 December 2012, comprising 2,664 plots owned and a further 661 plots conditionally purchased. Since December a further 428 plots have been conditionally purchased. Additionally, there are approximately a further 1,000 possible plots in the pipeline.

Gleeson Strategic Land

Gleeson Strategic Land recorded revenue of £7.0m (2011: £3.5m) as a result of three land sales in the period (2011: two land sales).

An operating profit of £1.7m (2011: £1.1m) was recorded for the period as a result of the sale of three sites comprising a total of 13 acres. In addition, contracts were exchanged for the sale of the first phase of a 77 acre site in Thanet, in which the Group has a 50% interest.

During the period, planning permission was achieved on a 133 unit site at Grove, Oxfordshire and an 18 unit site at Hunston, West Sussex.

The strategic land portfolio continues to be replenished. During the period, agreements were entered into regarding six new sites comprising 126 acres.

At 31 December 2012, the strategic land portfolio totalled 3,608 acres (2011: 3,620 acres), of which 158 acres (2011: 184 acres) were owned, 2,161 acres (2011: 2,341 acres) were controlled under option, and 1,289 acres (2011: 1,095 acres) were subject to planning promotion agreements. The portfolio, in which the Group has an overall 67% beneficial interest, has the potential for 22,100 plots.

Group Overheads

Group overheads totalled £0.8m (2011: £0.6m) for the period.

Post Balance Sheet Event

Subsequent to the period end the Group disposed of its last remaining PFI investment, Leeds Independent Living Accommodation Holdings Ltd. Proceeds of £3.6m have been received and a net profit of approximately £1.4m is expected to be recorded in the full year results.

Dividend

Against the background of Gleeson Homes return to operational profitability and of the continuing commercial success of Gleeson Strategic Land, the Board is pleased to announce the recommencement of regular dividend payments, by declaring a modest interim dividend of 0.5 pence per share. This dividend will be paid on 5 April 2013 to

shareholders on the register at close of business on 8 March 2013. Henceforth, the intention is to declare dividends at the time of publication of both the half and full year results.

Balance Sheet and Cash Flow

Total shareholders' equity stood at £102.1m at 31 December 2012 compared to £100.4m at 30 June 2012. This equates to net assets per share of 193.2p (30 June 2012: 190.4p).

The Group's net cash balance at 31 December 2012 was £10.2m, reflecting a net cash outflow of £3.6m in the period.

Risks and Uncertainties

The principal risks and uncertainties that have been identified as being capable of affecting the Group's performance in the second half are set out below:

Housing Demand

Security of employment, interest rates and mortgage availability are the key determinants of house buyers' confidence. Currently employment prospects remain uncertain and although interest rates remain low, mortgage finance remains relatively restricted, particularly for high loan-to-value mortgages. To minimise cash outflows in this difficult environment, the Group continues to build to demand in a strictly controlled manner.

Planning consents

The Group derives profit from the sale to other developers of land, which it acquires through the exercise of option or promotion agreements when it succeeds in obtaining appropriate planning consents. Although the demand for consented land has recently increased, it is always difficult to predict with any precision the date by which planning consents can be obtained.

Prospects

Gleeson Homes has commenced 2013 with a very encouraging level of visitors and reservations, particularly on its newer and higher margin sites. In addition, Gleeson Strategic Land, which continues to enjoy a considerable level of success in securing residential planning permissions, is currently progressing the sale of a number of consented high value green field sites in southern England. Against this background, the Board anticipates further substantial improvements in the Group's trading performance in both the current year and beyond.

Dermot Gleeson
Chairman

Condensed Consolidated Statement of Comprehensive Income for the six months to 31 December 2012

	Unaudited Six months to 31 December 2012	Unaudited Six months to 31 December 2011 Restated (Note 12)			Audited Year to 30 June 2012 Restated (Note 12)		
Note	£000	Before excep- tional items £000	Excep- tional items Note 7 £000	£000	Before excep- tional items £000	Excep- tional items Note 7 £000	£000
Continuing operations							
	26,098	18,773	-	18,773	40,807	-	40,807
	(19,097)	(16,075)	1,249	(14,826)	(32,233)	2,879	(29,354)
	7,001	2,698	1,249	3,947	8,574	2,879	11,453
	(5,797)	(4,274)	-	(4,274)	(8,906)	76	(8,830)
	7	-	-	-	101	-	101
	1,211	(1,576)	1,249	(327)	(231)	2,955	2,724
	186	140	-	140	321	-	321
	(65)	(17)	-	(17)	(19)	-	(19)
	1,332	(1,453)	1,249	(204)	71	2,955	3,026
	(25)	-	-	-	(130)	-	(130)
	1,307	(1,453)	1,249	(204)	(59)	2,955	2,896
Discontinued operations							
	34			574			710
	1,341			370			3,606
	107			51			(3)
	1,448			421			3,603
Earnings per share attributable to equity holders of parent company							
	2.54 p			0.71 p			6.86 p
	2.53 p			0.71 p			6.86 p
Earnings per share from continuing operations							
	2.48 p			(0.39)p			5.51 p
	2.47 p			(0.39)p			5.51 p

**Condensed Consolidated Statement of Financial Position
as at 31 December 2012**

	Unaudited 31 December 2012 £000	Unaudited 31 December 2011 £000	Audited 30 June 2012 £000
Non-current assets			
Plant and equipment	1,219	360	922
Investment properties	748	803	748
Investments in joint ventures	15	15	15
Loans and other investments	4,896	4,896	4,896
Trade and other receivables	6,400	4,385	5,369
Deferred tax assets	694	894	725
	13,972	11,353	12,675
Current assets			
Inventories	86,907	72,795	76,495
Trade and other receivables	10,209	10,241	11,183
UK corporation tax	15	-	15
Cash and cash equivalents	10,247	15,149	13,862
Assets classified as held for sale	1,982	2,007	1,990
	109,360	100,192	103,545
Total assets	123,332	111,545	116,220
Non-current liabilities			
Provisions	(116)	(377)	(219)
	(116)	(377)	(219)
Current liabilities			
Trade and other payables	(20,733)	(13,626)	(15,249)
Provisions	(350)	(490)	(358)
	(21,083)	(14,116)	(15,607)
Total liabilities	(21,199)	(14,493)	(15,826)
Net assets	102,133	97,052	100,394
Equity			
Share capital	1,058	1,055	1,055
Share premium account	6,328	6,076	6,114
Capital redemption reserve	120	120	120
Retained earnings	94,627	89,801	93,105
Total equity	102,133	97,052	100,394

**Condensed Consolidated Statement of Changes in Equity
for the six months to 31 December 2012**

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Retained earnings £000	Total £000
At 1 July 2011 (audited)	1,054	6,039	120	91,940	99,153
Total comprehensive income for the period					
Profit for the period	-	-	-	370	370
Other comprehensive income					
Cashflow hedges	-	-	-	51	51
Total comprehensive income for the period	-	-	-	421	421
Transactions with owners, recorded directly in equity					
Contributions and distributions to owners					
Share issue	1	37	-	-	38
Purchase of own shares	-	-	-	(7)	(7)
Share-based payments	-	-	-	73	73
Dividends	-	-	-	(2,626)	(2,626)
Transactions with owners, recorded directly in equity	1	37	-	(2,560)	(2,522)
At 31 December 2011 (unaudited)	1,055	6,076	120	89,801	97,052
Total comprehensive income for the period					
Profit for the period	-	-	-	3,236	3,236
Other comprehensive income					
Cashflow hedges	-	-	-	(54)	(54)
Total comprehensive income for the period	-	-	-	3,182	3,182
Transactions with owners, recorded directly in equity					
Contributions and distributions to owners					
Share issue	-	38	-	-	38
Own shares disposed	-	-	-	46	46
Share-based payments	-	-	-	76	76
Transactions with owners, recorded directly in equity	-	38	-	122	160
At 30 June 2012 (audited)	1,055	6,114	120	93,105	100,394
Total comprehensive income for the period					
Profit for the period	-	-	-	1,341	1,341
Other comprehensive income					
Cashflow hedges	-	-	-	107	107
Total comprehensive income for the period	-	-	-	1,448	1,448
Transactions with owners, recorded directly in equity					
Contributions and distributions to owners					
Share issue	3	214	-	-	217
Purchase of own shares	-	-	-	(10)	(10)
Share-based payments	-	-	-	84	84
Transactions with owners, recorded directly in equity	3	214	-	74	291
At 31 December 2012 (unaudited)	1,058	6,328	120	94,627	102,133

**Condensed Consolidated Statement of Cash Flow
for the six months to 31 December 2012**

	Unaudited	Unaudited	Audited
	Six months to	Six months to	Year to
	31 December	31 December	30 June
	2012	2011	2012
	£000	Restated	Restated
		(Note 12)	(Note 12)
		£000	£000
Operating activities			
Profit/(loss) before tax from continuing operations	1,332	(204)	3,026
Profit before tax from discontinued operations	28	574	734
	1,360	370	3,760
Depreciation of plant and equipment	252	64	229
Share-based payments	84	73	149
Profit on sale of investment properties	(7)	-	(101)
Profit from the sale of assets held for sale	-	(341)	(341)
Share of loss/(profit) of joint ventures (net of tax)	107	51	(3)
Financial income	(303)	(261)	(561)
Financial expenses	65	17	19
Dividends received	(117)	-	-
Operating cash flows before movements in working capital	1,441	(27)	3,151
Increase in inventories	(10,412)	(3,298)	(6,998)
(Increase)/decrease in receivables	(52)	2,899	810
Increase/(decrease) in payables	5,329	(6,879)	(5,545)
Cash utilised by operating activities	(3,694)	(7,305)	(8,582)
Tax received	12	-	-
Interest paid	(21)	(11)	(13)
Net cash flows from operating activities	(3,703)	(7,316)	(8,595)
Investing activities			
Net proceeds from disposal of assets held for sale	-	7,209	7,209
Proceeds from disposal of investment properties	62	26	156
Interest received	243	228	665
Dividend received	117	-	-
Purchase of plant and equipment	(549)	(166)	(893)
Repayment of loans to joint ventures and other investments	8	-	68
Net cash flows from investing activities	(119)	7,297	7,205
Financing activities			
Proceeds from issue of shares	217	38	76
Purchase of own shares	(10)	(7)	-
Own shares disposed	-	-	39
Dividends paid	-	(2,626)	(2,626)
Net cash flows from financing activities	207	(2,595)	(2,511)
Net decrease in cash and cash equivalents	(3,615)	(2,614)	(3,901)
Cash and cash equivalents at beginning of period	13,862	17,763	17,763
Cash and cash equivalents at end of period	10,247	15,149	13,862

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The Interim Report of the Group for the six months ended 31 December 2012 has been prepared in accordance with IAS 34 "Interim Financial Reporting" and International Financial Reporting Standards ("IFRS") as adopted for use in the European Union ("EU") and in accordance with the Disclosure and Transparency Rules of the Financial Services Authority.

The Interim Report does not constitute financial statements as defined in Section 434 of the Companies Act 2006 and does not include all of the information and disclosures required for full annual statements. It should be read in conjunction with the Report and Accounts for the year ended 30 June 2012, which is available either on request from the Group's registered office, Sentinel House, Harvest Crescent, Ancells Business Park, Fleet, Hampshire, GU51 2UZ or can be downloaded from the corporate website www.mjgleeson.com.

The comparative figures for the financial year ended 30 June 2012 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters which the auditors drew attention to by way of emphasis without qualifying their report and (iii) did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

Going concern

In determining the appropriate basis of preparation of the Interim Report, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

The Group's business activities, together with factors that are likely to affect its future development, financial performance and financial position are set out in the Chairman's Statement along with the principal risks and uncertainties that have been identified as being capable of affecting the Group's performance in the second half of the financial year.

In November 2012, the Co-operative Bank provided the Group with a £3 million overdraft facility, secured by a charge over the Group's assets. The Group meets its day-to-day working capital requirements through its cash resources and its overdraft facility. The current economic conditions create uncertainty, particularly over the level of demand for the Group's goods and services.

The Group's forecasts and projections show that the Group is able to operate without the need for debt finance, other than the overdraft facility, for the foreseeable future.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Interim Report.

This Interim Report was approved for issue by the Board of Directors on 27 February 2013.

2. Accounting policies

The accounting policies adopted are consistent with those of the Report and Accounts for the year ended 30 June 2012, as described in those financial statements.

3. Responsibility statement

The Directors confirm that this Interim Report has been prepared in accordance with IAS 34 and that the Chairman's Statement and the notes to the financial statements herein includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year) and DTR 4.2.8R (disclosure of related party transactions and changes therein).

4. Cautionary statement

This Interim Report contains certain forward looking statements with respect to the financial condition, results, operations and business of MJ Gleeson Group plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. Nothing in this Interim Report should be construed as a profit forecast.

5. Directors' liability

Neither the Company nor the Directors accept any liability to any person in relation to this Interim Report 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 Marketing Act 2000.

6. Segmental analysis

For management purposes, the Group is organised into the following two operating divisions:

- Gleeson Homes focuses on estate regeneration and housing development on brownfield land in the North of England.
- Gleeson Strategic Land focuses on the purchase of options over land in the South of England.

In addition the following divisions are considered as discontinued:

- Gleeson Capital Solutions manages the Group's Private Financing Initiative investments in social housing.
- Gleeson Commercial Property Developments was engaged in commercial property development in the UK.
- Gleeson Construction Services is engaged in Building contracting and Engineering contracting in the UK.

At the half year, the Gleeson Capital Solutions, Gleeson Commercial Property Developments and the Gleeson Building division of Gleeson Construction Services were reclassified as discontinued. All of the Gleeson Capital Solutions, Gleeson Commercial Property Developments and Gleeson Construction Services divisions are now discontinued.

Segment information about the Group's operations, including joint ventures, is presented below:

		Unaudited Six months to 31 December 2012	Unaudited Six months to 31 December 2011 Restated (Note 12)	Audited Year to 30 June 2012 Restated (Note 12)
	Note	£000	£000	£000
Revenue				
Continuing activities:				
Gleeson Homes		19,074	15,285	32,634
Gleeson Strategic Land		7,024	3,488	8,173
		26,098	18,773	40,807
Discontinued activities:	9	984	303	1,168
Total revenue		27,082	19,076	41,975

		Unaudited Six months to 31 December 2012 £000	Unaudited Six months to 31 December 2011 Restated (Note 12) £000	Audited Year to 30 June 2012 Restated (Note 12) £000
Profit/(loss) on activities				
Gleeson Homes		306	(800)	306
Gleeson Strategic Land		1,666	1,089	3,655
		1,972	289	3,961
Group Activities		(761)	(616)	(1,237)
Financial income		186	140	321
Financial expenses		(65)	(17)	(19)
Profit/(loss) before tax		1,332	(204)	3,026
Tax		(25)	-	(130)
Profit/(loss) for the period from continuing operations		1,307	(204)	2,896
Profit for the period from discontinued operations (net of tax)	9	34	574	710
Profit for the period attributable to equity holders of the parent company		1,341	370	3,606

7. Exceptional items

Impairment of inventories and contract provisions

In prior periods, the Group impaired the carrying value of land and work-in-progress of a number of sites in the light of the condition of the UK housing market. Where the estimated net present realisable value is greater than the carrying value within the balance sheet, the Group has partially reversed the impairment previously made.

Restructuring costs

During prior periods, the Group incurred significant costs in relation to reorganising and restructuring the business. In the period to 30 June 2012 and the period to 31 December 2011, the Group reviewed the level of provision and released excess provisions.

Exceptional income may be summarised as follows:

	Unaudited Six months to 31 December 2012 £000	Unaudited Six months to 31 December 2011 £000	Audited Year to 30 June 2012 £000
Re-instatement of inventories and contract provisions	-	1,249	2,879
Reversal of restructuring costs	-	-	76
	-	1,249	2,955

In the six months ended 31 December 2012, £Nil (six months ended 31 December 2011: £1,249,000, year ended 30 June 2012, £2,955,000) of exceptional income was reported in the Gleeson Homes division.

8. Tax

The accounts for the 6 months to 31 December 2012 include a tax charge of 1.5% of profit before tax (31 December 2011 0.0%; 30 June 2012 3.9%). The Group's effective tax rate continues at a lower level than the underlying UK tax rate of 24.0% (31 December 2011 26.0%; 30 June 2012 25.5%) as the Group benefits from the utilisation of previously unrecognised tax losses.

9. Discontinued operations

The trading of the Gleeson Building Contracting Division of Gleeson Construction Services now only relates to remedial works and so the division is now classified as Discontinued along with the Gleeson Engineering Division.

During the period, the activities of the Gleeson Commercial Property Development division ceased and has been classified as discontinued.

The Gleeson Capital Solutions division had one remaining PFI investment which, at 31 December 2012, was being actively marketed and has been treated as held for sale. The investment was subsequently sold in February 2013 (Note 15). The division is not pursuing any further bids and the division is considered to be discontinued.

	Unaudited Six months to 31 December 2012			Total
	Gleeson Capital Solutions	Gleeson Commercial Property Developments	Gleeson Construction Services	
	£000	£000	£000	£000
Revenue	-	-	984	984
Cost of sales	-	-	(956)	(956)
Gross profit	-	-	28	28
Administrative expenses	75	1	(86)	(10)
Share of loss of joint ventures (net of tax)	(107)	-	-	(107)
Operating loss	(32)	1	(58)	(89)
Financial income	117	-	-	117
Profit before tax	85	1	(58)	28
Tax	-	6	-	6
Profit for the period from discontinued operations	85	7	(58)	34

Unaudited Six months to 31 December 2011				
Restated (Note 12)				
	Gleeson Capital Solutions	Gleeson Commercial Property Developments	Gleeson Construction Services	Total
	£000	£000	£000	£000
Revenue	-	-	303	303
Cost of sales	-	-	(303)	(303)
Gross profit	-	-	-	-
Administrative expenses	70	179	(86)	163
Profit on sale of assets held for sale	341	-	-	341
Share of loss of joint ventures (net of tax)	(51)	-	-	(51)
Operating profit	360	179	(86)	453
Financial income	121	-	-	121
Profit before tax	481	179	(86)	574
Tax	-	-	-	-
Profit for the period from discontinued operations	481	179	(86)	574

Audited Year ended 30 June 2012				
Restated (Note 12)				
	Gleeson Capital Solutions	Gleeson Commercial Property Developments	Gleeson Construction Services	Total
	£000	£000	£000	£000
Revenue	-	3	1,165	1,168
Cost of sales	-	2	(1,082)	(1,080)
Gross profit	-	5	83	88
Administrative expenses	67	178	(183)	62
Profit on sale of assets held for sale	341	-	-	341
Share of profit of joint ventures (net of tax)	3	-	-	3
Operating profit	411	183	(100)	494
Financial income	240	-	-	240
Profit before tax	651	183	(100)	734
Tax	-	-	(24)	(24)
Profit for the period from discontinued operations	651	183	(124)	710

10. Dividends

On 27 February 2013 the Group declared an interim dividend of 0.5 pence per share, at a total cost of £264,000. The dividend has not been provided for and there are no tax consequences for the Group.

11. Earnings per share

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings	Unaudited Six months to 31 December 2012 £000	Unaudited Six months to 31 December 2011 Restated (Note 12) £000	Audited Year to 30 June 2012 Restated (Note 12) £000
Earnings for the purposes of basic earnings per share, being net profit/(loss) attributable to equity holders of the parent company			
Profit/(loss) from continuing operations	1,307	(204)	2,896
Profit from discontinued operations	34	574	710
Earnings for the purposes of basic and diluted earnings per share	<u>1,341</u>	<u>370</u>	<u>3,606</u>
Number of shares	31 December 2012 No. 000	31 December 2011 No. 000	30 June 2012 No. 000
Weighted average number of ordinary shares for the purposes of basic earnings per share	52,707	52,563	52,574
Effect of dilutive potential ordinary shares: Share options	219	-	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u>52,926</u>	<u>52,563</u>	<u>52,574</u>
From continuing operations	31 December 2012 p	31 December 2011 p	30 June 2012 p
Basic	2.48	(0.39)	5.51
Diluted	<u>2.47</u>	<u>(0.39)</u>	<u>5.51</u>
From discontinued operations	31 December 2012 p	31 December 2011 p	30 June 2012 p
Basic	0.06	1.10	1.35
Diluted	<u>0.06</u>	<u>1.10</u>	<u>1.35</u>
From continuing and discontinued operations	31 December 2012 p	31 December 2011 p	30 June 2012 p
Basic	2.54	0.71	6.86
Diluted	<u>2.53</u>	<u>0.71</u>	<u>6.86</u>

12. Restatement of comparatives

IFRS 5 Discontinued operations

At the period end, the Group considered that all of the operations of the Gleeson Capital Solutions, Gleeson Commercial Property Developments and the Gleeson Building division of Gleeson Construction Services were discontinued as there was no material on-going trading within the divisions. The Group has reported the current period results in line with the reclassification and restated the comparatives for the 6 months ended 31 December 2011 and year ended 30 June 2012. This has resulted in the Income Statement, Cashflow, Segmental analysis and Discontinued operations being restated. The revised Discontinued items are shown in note 9.

13. Related party transactions

Identity of related parties

The Group has a related party relationship with its joint ventures and key management personnel.

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

Transactions with key management personnel

Transactions in the period between the Group and with key management personnel were limited to those relating to remuneration as disclosed in the Audited accounts for the year to 30 June 2012. There has been no material change in these arrangements since the year end.

Provision of goods and services to joint ventures

	Unaudited Six months to 31 December 2012 £000	Unaudited Six months to 31 December 2011 £000	Audited Year to 30 June 2012 £000
Grove Village Limited	-	30	5
Chrysalis (Stanhope) Limited	-	4	4
AvantAge (Cheshire) Limited	-	2	2
Leeds Independent Living Accommodation Company Limited	123	127	252
	123	163	263

Sales to related parties were made at market rates.

Amounts owed by and owed to joint ventures are analysed below:

The amounts owed by joint ventures are shown below:

	Unaudited Six months to 31 December 2012 £000	Unaudited Six months to 31 December 2011 £000	Audited Year to 30 June 2012 £000
Amounts classified as held for sale	1,982	2,007	1,990
Prepayments and accrued income	98	-	98
	2,080	2,007	2,088

The amounts owed to joint ventures at 31 December 2012 totalled £Nil (31 December 2011: £Nil; 30 June 2012: £Nil).

14. Group pension scheme

The Group operates a defined contribution pension plan. The assets of the pension plan are held separately from those of the Group in funds under the control of the trustees.

The total pension cost charged to the income statement in the 6 months to 31 December 2012 of £187,000 (6 months to 31 December 2011: £155,000; year to 30 June 2012: £316,000) represents contributions payable to the defined contribution pension plan by the Group at rates specified in the plan rules. At 31 December 2012, contributions of £46,000 (31 December 2011: £38,000; 30 June 2012 £40,000) due in respect of the current reporting period had not been paid over to the pension plan. Since the period end, this amount has been paid.

15. Post balance sheet events

Subsequent to the period end, the remaining PFI investment, Leeds Independent Living Accommodation Company Holdings Ltd was sold for gross proceeds of £3.6m. This is expected to generate a profit of £1.4m. The PFI investment is recorded as Assets classified as held for sale as at 31 December 2012 and 30 June 2012.