



21st Century Technology plc
("21st Century", "the Company" or "the Group")

Interim Results for the six months ended 30 June 2009

21st Century, a leading supplier of public transport CCTV and other monitoring systems, today announces its unaudited interim figures for the six months to 30 June 2009.

Highlights

- Group revenue from continuing operations increased by 17% to £7m (2008: £6m)
- Public Transport Monitoring Systems sales increased 58% to £5.3m (2008: £3.4m)
- Profit after tax of £204,000 (2008: loss of £26,000) which is equivalent to the current City expectation for the full year
- Total net debt of £0.8m (30 June 2008: £0.4m) including deferred consideration payable
- EcoManager sales of £2.4m in the first six months (launched June 2008)
- CCTV sales in Europe of £0.5m in the first six months
- Final 25% in 21st Century CPS acquired on favourable terms
- Group awarded new three year contract to supply Go-Ahead Group
- Entry into platform CCTV for Go-Ahead rail operations

Commenting on the results, Peter Ward, Chairman of 21st Century, said:

"It is very pleasing to hit our full year City profit expectation in the first six months and we are looking forward to building on this success in the second half of the year. So far in this second half, we have won a significant new contract with Go-Ahead Group and we are moving forward with justified confidence."

A copy of this interim results announcement is available on the Company's website: www.21stplc.com

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Notes to editors

Launched in 1993, the company began as Toad plc and was focused on the distribution of in-car entertainment systems and vehicle security products. Under the stewardship of Chairman Peter Ward, former Chairman and CEO of Rolls Royce Motors and Cunard Line, who joined the board at the end of 2001, the Group's strategy has been to reposition itself away from its legacy businesses into markets with better growth potential while leveraging its core strengths - nationwide field force of vehicle electrical engineers, call centre and distribution facilities.

In line with this strategy, in 2005 the company took a controlling stake in 21st Century Crime Prevention Services Ltd which recently merged with fellow subsidiary, Toad (UK) Ltd, to form 21st Century Technology Solutions Ltd ("*Solutions*"). *Solutions* is the preferred supplier of on-board CCTV systems for the UK bus divisions of Arriva and Go-Ahead and has pioneered the use of WiFi with on-board CCTV systems. *Solutions* was also the first company to successfully launch automatic video downloads and a bus CCTV monitoring system (HeartbeatTM).

Solutions' new EcoManager product has contributed significantly to the recent increase in revenue in the Group's Public Transport Solutions division. The EcoManager system, which incorporates a passenger counting facility, is aimed at reducing fuel costs, improving safety and enhancing revenues for bus operators by monitoring driving styles against fuel consumption.

The Company was renamed "TG21 plc" in 2005 and, to reflect the repositioning of the Group, changed this name to "21st Century Technology plc" in June 2009.

21st Century Technology plc

Chairman's statement

The financial information contained within this interim report is based upon the Group's unaudited results for the six months to 30 June 2009.

Profit after tax for the 6 months ended 30 June 2009 was £0.2m which compares to a small loss recorded in the same period last year.

In April this year we announced that we had acquired the remaining 25% shareholding in 21st Century Crime Prevention Services ("CPS"). CPS was the principal operating company within our Public Transport Monitoring Systems division. The purchase price for the final 25% tranche in CPS was established in an option agreement dated 18 December 2004 at £2.1m in cash. However we successfully renegotiated the option and the vendor agreed to take half of the consideration in 21st Century Technology plc shares fixed at 10p per share in lieu of cash.

Subsequent to the acquisition, CPS was merged with our other operating subsidiary Toad (UK) Limited to form 21st Century Technology Solutions Limited and the holding company changed its name from TG21 plc to 21st Century Technology plc.

Total Group turnover from continuing operations for the six months to 30 June 2009 was £7m (2008: £6m) and is broken down by division below.

Turnover from continuing operations	6 months ended	
	30 June 2009	30 June 2008
	£'000	£'000
Public transport monitoring systems	5,333	3,366
Vehicle installation services	836	1,623
Distribution (Datatool)	848	1,019
	7,017	6,008

Total turnover included an increase in our Public Transport Monitoring Systems division of 58% from £3.4m to £5.3m. The Group made an operating profit of £329,000 for the half year (2008: £73,000) and a net profit after tax of £204,000 (2008 loss: £26,000). Net debt due to the bank was £0.3m at 30 June 2009 (2008: £0.4m) and total net debt of £0.8m includes £0.5m of deferred consideration on the CPS acquisition.

Public transport monitoring systems

Principal activities in this division are the supply of CCTV, black box and other monitoring systems for use on public transport vehicles, including products such as EcoManager and our passenger counting system, "PAS" (Passenger Analysis System).

Sales in the first half of 2009 increased by 58% to £5.3m compared to the same period last year (2008: £3.4m). In addition to the regular turnover from CCTV sales to Arriva UK, the first half of the year also benefitted from £2.4m (2008: £0.2m) of sales of our new EcoManager and PAS products (representing over 1,000 installations), £0.5m (2008: £0.1m) of CCTV sales to Arriva in Europe and £0.8m (2008: £0.3m) of CCTV sales to Go-Ahead in the UK.

The 21st Century EcoManager system is aimed at reducing fuel costs and improving safety by monitoring bus driver behaviour. The system gives computer generated feedback so that driver training can be focused to reduce harsh acceleration and braking, excessive idling and other factors which increase fuel consumption. Following a successful trial in the North West of

England which resulted in considerable fuel saving and improved safety, we made our first sales to Arriva in June last year and they have committed to roll out EcoManager installations on all new buses and 1,800 retrofit vehicles in the UK this year.

Our position with Go-Ahead was further strengthened in August of this year when we secured a three year contract to supply The Go-Ahead Group with its on vehicle CCTV for buses and static CCTV for train stations and other commercial premises. In addition to the provision of CCTV equipment for railway stations, the contract also assigns the management of these station platform installations to 21st Century. The total contract is estimated to be worth around £6m in sales value over the three years. This contract underpins our existing service to them and also extends our field of activities into train station platform CCTV.

Vehicle installation services

The principal activities within this division are:

- (i) replacement and installation of stolen in-car entertainment (ICE) and navigation systems for insurance company customers;
- (ii) installation services for the black-box motor insurance market.

Due to the maturity of the ICE insurance replacement market, which we have acknowledged for some time and the disappointing take up of black box installations in the insurance market, the activities within this division are in decline. Sales for the first six months of the current year fell in line with our expectations by 50% to £0.8m (2008: £1.6m).

During the period we reduced headcount within the division and, while we remain alert to other vehicle installation opportunities, our focus will continue to be installations of public transport monitoring systems.

Distribution

Datatool continues to make a contribution to central overheads but recorded a small loss at the operating profit line (after allocation of a proportionate share of central overheads) for the first six months of the year on turnover which was 17% down compared to the same period last year.

Current trading and outlook

The profit recorded for the first half of the year is already equal to that anticipated within the City expectation for the entire year and we continue to trade ahead of this expectation.

We are looking forward to consolidating our position with Go-Ahead and building on the early success of EcoManager in the UK by taking this product into the European market. At the same time we will be actively looking for opportunities to expand into related markets.

Peter Ward
Chairman

Nick Grimond
Chief Executive Officer

Consolidated statement of comprehensive income

	Unaudited six months ended 30 June 2009	Unaudited six months ended 30 June 2008	Year ended 31 December 2008
	£'000	£'000	£'000
Continuing operations			
Revenue (note 2)	7,017	6,008	12,217
Cost of sales	(3,047)	(2,500)	(4,864)
Gross profit	3,970	3,508	7,353
Other operating income	37	57	103
Administrative expenses	(3,678)	(3,492)	(7,762)
Operating profit/(loss)	329	73	(306)
Share of results of associate	-	(50)	-
Provision for associate loan	-	-	(430)
Finance costs	(45)	(49)	(70)
Profit/(loss) before taxation	284	(26)	(806)
Taxation	(80)	-	320
Profit/(loss) for the period from continuing operations	204	(26)	(486)
Discontinued operations			
Profit for the period from discontinued operations	-	-	22
Profit/(loss) and total comprehensive income/(deficit) for the period	204	(26)	(464)
Attributable to:			
Equity holders of the parent	204	(126)	(764)
Non controlling interest	-	100	300
	204	(26)	(464)
Earnings per share			
From continuing operations			
Basic and diluted	0.22p	(0.15)p	(0.96)p
From continuing and discontinued operations			
Basic and diluted	0.22p	(0.15)p	(0.94)p
Number of shares	92,229,000	81,689,000	81,689,000

Consolidated statement of changes in equity shareholders' funds

	Share Capital	Share premium	Special and other reserve	Retained Earnings	Total equity Shareholders' funds
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2008	8,169	3,387	1,249	(3,091)	9,714
Total comprehensive Income for the period	-	-	-	(126)	(126)
Share based payments	-	-	-	38	38
Balance at 30 June 2008	8,169	3,387	1,249	(3,179)	9,626
Balance at 1 January 2008	8,169	3,387	1,249	(3,091)	9,714
Total comprehensive Income for the period	-	-	-	(764)	(764)
Share based payments	-	-	-	77	77
Balance at 31 December 2008	8,169	3,387	1,249	(3,778)	9,027
Total comprehensive Income for the period	-	-	-	204	204
Share based payments	-	-	-	10	10
Issue of equity share capital (note 3)	1,054	-	-	-	1,054
Purchase of non controlling interest (note 3)	-	-	-	(2,083)	(2,083)
Balance at 30 June 2009	9,223	3,387	1,249	(5,647)	8,212

Consolidated statement of financial position

	Unaudited 30 June 2009	Unaudited 30 June 2008	31 December 2008
	£'000	£'000	£'000
Non-current assets			
Goodwill	4,850	4,850	4,850
Other intangible assets	352	457	388
Property, plant and equipment	2,900	3,744	2,922
Deferred tax asset	212	226	212
	8,314	9,277	8,372
Current assets			
Inventories	2,153	1,316	1,501
Trade and other receivables	2,009	3,190	2,727
Cash and cash equivalents	1,929	1,631	2,172
	6,091	6,137	6,400
Total assets	14,405	15,414	14,772
Liabilities			
Current liabilities			
Trade and other payables	(3,209)	(2,626)	(2,748)
Tax liabilities	(80)	(70)	-
Bank overdrafts and loans	(2,243)	(1,486)	(1,970)
Provisions	(72)	(72)	(72)
	(5,604)	(4,254)	(4,790)
Net current assets	487	1,883	1,610
Non-current liabilities			
Bank loans	-	(500)	-
Provisions	(227)	(290)	(275)
Deferred tax liabilities	(362)	(626)	(362)
	(589)	(1,416)	(637)
Total liabilities	(6,193)	(5,670)	(5,427)
Net assets	8,212	9,744	9,345
Shareholders' equity			
Share capital	9,223	8,169	8,169
Share premium account	3,387	3,387	3,387
Special and other reserve	1,249	1,249	1,249
Retained earnings	(5,647)	(3,179)	(3,778)
Total equity shareholders' funds	8,212	9,626	9,027
Non controlling interest	-	118	318
Total equity	8,212	9,744	9,345

Consolidated statement of cash flows

	Unaudited six months ended 30 June 2009	Unaudited six months ended 30 June 2008	Year ended 31 December 2008
	£'000	£'000	£'000
Net cash generated from operating activities (note 4)	423	219	693

Investing activities

Purchase of final tranche in 21 st Century CPS Ltd	(554)	-	-
Deferred consideration on disposal of discontinued operations in 2007	90	250	395
Purchases of property, plant and equipment	(66)	(33)	(48)
Purchases of intangible fixed assets	(116)	(29)	(76)
Net cash (used in)/generated by investing activities	(646)	188	271

Financing activities

Repayment of borrowings	-	(650)	(1,150)
Dividend paid to non controlling interest	(293)	(133)	(133)
Net cash used in financing activities	(293)	(783)	(1,283)

Net decrease in cash and cash equivalents

(516)	(376)	(319)
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Cash and cash equivalents at beginning of period

702	1,021	1,021
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Cash and cash equivalents at end of period

186	645	702
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Notes

1. Basis of preparation and approval of interim statement

The interim financial statement for the six months to 30 June 2009 has been prepared in accordance with IFRSs as adopted by the European Union and specifically in accordance with IAS 34 'Interim Financial Reporting'. It does not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2008.

The financial information has been prepared on the basis of IFRSs that the directors expect to be applicable as at 31 December 2009.

Except as described below, the accounting policies adopted in the preparation of the interim financial statements are consistent with those set out in the Group's Annual Report and Financial Statements 2008, which were prepared in accordance with IFRSs.

The presentation of the primary financial statements has been modified in order to comply with IAS 1 (revised). However the revised standard has no impact on the reported results or financial position of the Group. The improvements to the IFRSs resulted in a number of amendments to the various standards to clarify the treatment in circumstances where practice previously varied. The improvements had no impact on the reported results or financial position of the Group.

IFRS 3 (2008) has been adopted in accounting for the acquisition of the final 25% of 21st Century Crime Prevention Services Limited (see note 3).

IFRS 8 requires operating segments to be identified on the basis of internal reports used to assess performance and allocate resources. The adoption of this standard has not resulted in any change to the segments reported previously.

These interim financial results do not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2008 were approved by the Board on 25 March 2009 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498(2) or section 498(3) of the Companies Act 2006.

The interim financial statement is unaudited and was approved by the Board of Directors on 8 September 2009.

2. Segmental reporting

Continuing operations by business sector with revenue reflecting sales to external customers	Public transport monitoring systems	Vehicle Installation Services	Distribution	Unallocated (property impairment)	Total
	£'000	£'000	£'000	£'000	£'000
Unaudited six months ended 30 June 2009					
Revenue	5,333	836	848	-	7,017
Operating profit/(loss)	374	(2)	(43)	-	329
Unaudited six months ended 30 June 2008					
Revenue	3,366	1,623	1,019	-	6,008
Operating profit/(loss)	88	(15)	-	-	73
Year ended 31 December 2008					
Revenue	7,733	2,787	1,697	-	12,217
Operating profit/(loss)	587	(213)	40	(720)	(306)

The segmental reporting of operating profit/(loss) for the year ended 31 December 2008 has been restated to reflect the allocation of central overheads on a basis consistent with that applied for the current period interim results.

3. Acquisition

On 14 April 2009 the Group acquired the remaining 25% of the issued ordinary share capital of 21st Century Crime Prevention Services Ltd ("CPS") and as a consequence CPS became a wholly owned subsidiary of the Group. The consideration for this final 25% was satisfied as follows:

	Fair value of consideration
	£'000
Cash paid on completion	554
Cash to be paid by 4 January 2010	500
10,539,125 new 21 st Century Technology plc ordinary shares issued as fully paid up at 10p each	488
Total consideration at fair value	1,542

The fair value of the non cash consideration above represents the market price of the shares in 21st Century Technology plc at the date of the acquisition being 4.63p per share.

In accordance with IFRS 3 (2008), the difference between the above consideration and the balance on non controlling interest and the difference between the nominal value and the fair value of the shares issued as non cash consideration have been recognised directly in equity and attributed to equity holders in the parent within the consolidated statement of changes in equity shareholders' funds:

	£'000	£'000
Fair value of total consideration		1,542
Non controlling interests balance at 1 January 2009	(318)	
Dividend paid to non controlling interest in the period	293	
Balance of non controlling interest at date of acquisition		(25)
		1,517
Nominal value of shares issued as non cash consideration	1,054	
Fair value of shares issues as non cash consideration	(488)	
		566
IFRS 3 (2008) adjustment recognised in equity shareholders' funds		2,083

4. Cash generated from operations

	Unaudited six months ended 30 June 2009	Unaudited six months ended 30 June 2008	Year ended 31 December 2008
	£'000	£'000	£'000
Profit/(loss) for the period	204	(26)	(464)
Share of results of associate	-	50	-
Finance costs	45	49	70
Income tax expense/(credits)	80	-	(320)
Impairment of freehold property	-	-	720
Depreciation/amortisation	241	209	442
Share based payments	10	38	77
Decrease in provisions	(48)	(47)	(62)
(Increase)/decrease in working capital balances	(64)	(5)	300
Cash generated from operations	468	268	763
Interest paid	(45)	(49)	(70)
Net cash generated from operating activities	423	219	693

