3 August 2016

StatPro Group plc

StatPro Revolution revenue up 64% as momentum builds

StatPro Group plc, (AIM: SOG, "StatPro", "the Group"), the leading provider of portfolio analysis and asset pricing services for the global asset management industry, has published its interim results for the six months ended 30 June 2016.

	Six months ended 30 June 2016	Six months ended 30 June 2015	Change	Constant currency (5)
Revenue	**£17.55 m**	£15.44 m	+14%	+11%
• *StatPro Revolution* – underlying	**£4.02 m**	£2.45 m	+64%	+62%
• *StatPro Seven* – underlying	**£8.99 m**	£10.27 m	-12%	-15%
• Revenue from acquisitions	**£1.73 m**	-	n/a	
Annualised Recurring Revenue ("ARR") (1)	**£36.17 m**	£28.62 m	+26%	+13%
Adjusted EBITDA (3)	**£2.05 m**	£1.73 m	+19%	+13%
(Loss)/profit before tax	**£(0.96) m**	£0.82 m	n/a	n/a
Basic (loss)/earnings per share	**(1.2)p**	0.8p	n/a	
Adjusted earnings per share (3)	**1.1p**	1.0p	+10%	
Interim dividend per share	**0.85p**	0.85p	-	

Financial highlights:

- Group revenue up 14% to £17.55 million (2015: £15.44 million)
- *StatPro Revolution* underlying revenue up 64% to £4.02 million (2015: £2.45 million)
- Group ARR up 26% to £36.17 million (2015: £28.62 million), 13% on a constant currency basis
- ARR from cloud services (*StatPro Revolution* and Investor Analytics) up 112% to £13.72 million (2015: £6.47 million), 90% on a constant currency basis
- Recurring revenue from cloud services now 38% of Group ARR (2015: 23%)
- Adjusted EBITDA increased by 19% to £2.05 million (2015: £1.73 million)
- Loss before tax £0.96 million (2015: profit £0.82 million) after exceptional items of £1.24 million (2015: nil) and acquired intangible assets amortisation of £0.55 million (2015: £0.03 million)
- Interim dividend maintained at 0.85 pence per share

Operating highlights:

- Two large contracts signed including new *StatPro Revolution Performance* module, demonstrating the endorsement of StatPro's cloud strategy by large fund administrators
- Launch of *Revolution Performance* on track for Q3 2016
- Continued focus on revenue per client; average annualised revenue for *StatPro Revolution* clients increased 82% to £43,600 (2015: £23,900 (5))
- Lifetime Value: Cost of Acquiring Customers (LTV:CAC) (2) rose to 10.8 from 10.1 - three or higher is considered acceptable for successful SaaS business
- Increased bank facility with Wells Fargo to £24.8 million

Outlook:

- Forward order book of contracted revenue [(4)] increased 19% to £44.13 million (2015: £37.01 million), 8% on a constant currency basis
    - £21.91 million is contracted revenue for *StatPro Revolution*, an increase of 86%, 69% on a constant currency basis

(1) Annualised Recurring Revenue is the annual value of revenue contractually committed at period end.
(2) The Cost of Acquiring Customers ("CAC") is determined by the selling and other costs associated with contracting new clients and dividing by the number of clients signed in the period. The Lifetime Value of the customer contracts ("LTV") is determined by estimating the average life based on churn rates multiplied by the average ARR per client.
(3) Adjusted EBITDA and adjusted earnings per share are EBITDA and earnings per share after adjustment for amortisation of acquired intangible assets, exceptional items and share based payments (notes 2 and 5).
(4) Forward order book of contracted revenue is the total amount of software and professional services revenue that is contractually committed at period end.
(5) At constant currency, based on restating the prior year at the closing or average currency rate.

Justin Wheatley, Chief Executive of StatPro, commented:

"Our strategy to convert our portfolio analytics and risk services to the cloud has secured us a significant technological lead in our market.

"As a result, we offer our clients a materially better and simpler service. The scale, speed and control of Revolution provide asset managers with huge productivity gains. We have recently signed agreements with two more leading fund administrators – a clear endorsement of our capabilities.

"We are gaining momentum, as demonstrated by the 64% jump in Revolution's revenue and are extremely well positioned in a growing market. This is reflected in our forward order book of £44.13 million, up 19% - of which £21.91 million is contracted revenue for StatPro Revolution, an increase of 86%.

"We look forward to the launch of StatPro Revolution Performance in September."

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About StatPro

StatPro is a global provider of award winning portfolio analytics solutions for the investment community. The Group's cloud-based platform provides vital analysis of portfolio performance, attribution, risk and compliance. This multi-asset class analytics platform helps StatPro's clients increase assets under management, improve client service, meet tough regulations and reduce costs.

The Group's integrated and global data coverage includes over 3.2 million securities such as equities, bonds, mutual funds, FX rates, futures, options, OTCs, sector classifications and much else besides. StatPro also covers most families of benchmarks including MSCI, FTSE, Russell, NASDAQ and the licence free Freedom Index.

StatPro has grown its Annualised Recurring Revenue from less than £1 million in 1999 to around £36 million at end June 2016. The Group has operations in Europe, North America, South Africa, Asia and Australia, with hundreds of clients in 37 countries around the world. Approximately 80% of recurring revenues are generated outside the UK. StatPro Group plc shares are listed on AIM.

Overview

StatPro had a good first half in 2016. Revenues increased 14% to £17.55 million (11% constant currency "CC") and adjusted EBITDA rose 19% to £2.05 million (13% CC). Once more, 93% of Group revenue in H1 2016 was derived from recurring revenue (2015: 93%).

Revenues from *StatPro Revolution* increased 64% to £4.02 million (62% CC) (2015: £2.45 million). That was offset by the expected reduction of *StatPro Seven* revenues to £8.99 million (15% CC) (2015: £10.27 million).

More importantly as a leading indicator, ARR increased 26% to £36.17 million (13% CC) with the ARR for the Group's cloud services rising 112% to £13.72 million (90% CC).

The Group signed large contracts towards the end of H1 2016 that included the new *StatPro Revolution Performance* module with two leading international fund administrators. These are clear endorsements of the Group's cloud strategy.

StatPro's business has exhibited high levels of client renewals (94%) and strong SaaS ratios such as Lifetime Value: Cost of Acquiring Customers (LTV: CAC) ratio, which rose to 10.8 from 10.1. This ratio estimates the expected lifetime revenue generated per client divided by the cost of acquiring the client.

Strategy

StatPro provides portfolio analysis and data for the international asset management industry, a highly regulated and expanding sector. Its sophisticated solutions address the complexity of investment processes driven by a number of industry factors including multi-jurisdictional compliance, regulatory change and rising demand for cloud-based reporting and analysis.

Demand from the asset management industry for StatPro products is driven by the increasing requirement for more types of analysis, as well as the need for greater levels of accuracy, faster delivery of analysis, and data and regulatory requirements.

The Group's strategy is built upon its early move to cloud technology. By making this investment, eight years ago, the Group has positioned itself strongly, well ahead of its competition.

StatPro's solution of a simple online service means that clients do not have to deal with the complexity of managing multiple software solutions or the expense of internal IT and data management.

The scalability, speed and data control that *StatPro Revolution* offers clients is unmatched. StatPro believes that these benefits appeal mostly to the largest financial institutions.

The Group considers the risk of its clients rejecting cloud-based services is now negligible. StatPro has observed that many clients have begun to consider installed software as a hindrance to their business efficiency.

Current trading and outlook

The Group's contracted order book is up 19% to £44.13 million (CC 8%) of which the *StatPro Revolution* contracted order book increased 86% to £21.91 million (CC 69%).

New sales of £8.66 million were made in the first half of 2016, an increase of 25% (2015: £6.94 million) of which £6.38 million was for *StatPro Revolution*, an increase of 56% (2015: £4.09 million). This improvement is a direct result of *StatPro Revolution* maturing and gaining widespread acceptance as a high quality platform for portfolio analytics and risk compliance.

The Group's current pipeline is larger than at any time. More than two thirds of sales by value are to clients who have already bought *StatPro Revolution*. With recurring revenues of 93%, StatPro continues to be profitable and cash generative.

Overall, the Group is trading in line with the Board's expectations after a strong start to the year.

Operational review

StatPro Revolution
StatPro made two releases of *StatPro Revolution* in the first half of the year, which introduced significant new functionality for risk and benchmark management. The forthcoming release in August will add the power of Hadoop® to the calculation module as this allows for parallel processing.

The Group has also made extensive improvements to the core database that will enable a huge increase in the storage of client data, which in turn will result in significantly faster response times.

The September launch of *StatPro Revolution Performance* marks the end of a long investment process and the point from which the Group can begin the physical conversion of clients to the full Revolution platform. To date, clients have used a combination of *StatPro Seven* for data management and *Revolution* for analytics. They will then be able to discontinue their use of *StatPro Seven* and so maximise the full benefit of the cloud. This process will take a number of years to complete.

StatPro Seven
StatPro Seven consists of seven modules, three of which are the focus of the Group's present migration to *StatPro Revolution*, (SPA, SFI and SRM), representing approximately £7.52 million of ARR (2015 CC: £10.03 million). Approximately half of StatPro's clients of SPA, SFI and SRM, by value, have now contracted to take *StatPro Revolution*.

The other four modules of *StatPro Seven* represent approximately £10.84 million of ARR (2015 CC: £10.67 million), including InfoVest's other products amounting to £0.38 million and are not currently planned for migration. Of these other four modules, the Group continues to market StatPro Composites (SC) extensively. StatPro Portfolio Control (SPC) was transferred to Infovest in February to acquire 51% of its equity and StatPro expects to see further growth for this product as a result.

Data
ARR for the data services the Group provides for valuations, index distribution and complex asset pricing is approximately £4.54 million (2015 CC: £4.43 million).

Acquisitions

Investor Analytics ("IA")
The Group has completed the integration of IA. The cost of the integration and other one-off costs have been taken in the exceptional charge in the first half.

Work is on-going for the integration of IA's cloud service with *StatPro Revolution* and the Group is on schedule to offer a unified solution by early 2017.

As previously stated, the Group expects that IA will make a positive EBITDA contribution for the full year.

Infovest
Infovest as planned, operates as a separately branded company. However, the products it supplies, Compliance, Data Warehouse, ETL tools and Reporting, are closely aligned with StatPro's services.

The Group has implemented an effective cross-marketing process to ensure that Infovest's sales team gets full access to StatPro's extensive worldwide client base. This has already yielded several sales since March, including Capita Fund Services.

The majority of its prospects are StatPro clients. The Group expects Infovest to make a positive contribution to Group EBITDA for the year as a whole.

Financial review

Revenue
Group revenue increased by 14% to £17.55 million (2015: £15.44 million). The revenue growth was driven by strong underlying growth in *StatPro Revolution* combined with the positive impact of the acquisitions, offset by the expected reduction in revenue for StatPro Seven as shown below.

Revenue bridge		**£m**	
H1 2015 at actual rates		15.44	
Underlying growth			**Change year on year**
StatPro Revolution	1.54		62%
StatPro Seven (and other)	(1.53)		-15%
Impact of acquisitions and fx			**% of prior year**
Acquisitions	1.73		11%
FX impact	0.37		2%
		2.11	
H1 2016 at actual rates		17.55	

The underlying growth in *StatPro Revolution* revenue was 62% at constant currency (64% at actual rates), while the revenue for *StatPro Seven* reduced by 15% at constant currency (12% at actual rates), as shown in the table below.

Revenue analysis	**Unaudited Six months to 30 June 2016**	Unaudited Six months to 30 June* 2015	Change/impact on revenue
	£m	£m	%
StatPro Revolution – core excluding IA	**4.02**	2.48	+62%
StatPro Seven (and other)	**8.99**	10.54	-15%
Data and professional fees	**2.81**	2.79	-
	15.82	15.81	-
Acquisitions	**1.73**	-	
	17.55	15.81	+11%
FX impact	**-**	(0.37)	
Total revenue	**17.55**	15.44	+14%

* at constant currency

93% of Group revenue in H1 2016 was recurring revenue (2015: 93%).

Contracted revenue
The Group achieved strong sales in H1 2016 with total contracted value of £8.66 million (2015: £6.94 million). The level of contracted sales for *StatPro Revolution* was £6.38 million (2015: £4.09 million), driven by two international banner deals, demonstrating the endorsement by large fund administrators of StatPro's platform solution including *StatPro Revolution Performance*. As a result, the forward order book of contracted revenue increased by 19% to £44.13 million (2015: £37.01 million) and by 8% at constant currency. The forward order book of contracted revenue for *StatPro Revolution* increased by 86% to £21.91 million (2015: £11.75 million) and by 69% at constant currency.

The proportion by value of recurring revenue contracts at the end of June 2016 secured to the end of June 2017 or beyond is 70% (2015: 72%); the weighted average length of contracts committed was 15 months (2015: 16 months).

Approximately 83% of new recurring contracted revenue came from existing clients (2015: 82%). Professional services revenue increased to £1.16 million (2015: £1.04 million).

Recurring revenue

The Group's SaaS business model of recurring revenue contracts continues to provide excellent visibility of revenue. The ARR at the end of June 2016 increased by 26% over the previous 12 months at constant currency to £36.17 million (2015: £28.62 million). Excluding the impact of acquisitions and currency rates, the organic growth in Group ARR was 1%.

The net growth rate for *StatPro Revolution* was 112% (2015: 61%). The organic growth in *StatPro Revolution* ARR was 47%, excluding the impact of acquisitions and currency rates.

The ARR for *StatPro Seven* before the impact of conversions to *StatPro Revolution* was £19.57 million, a 6% reduction at constant currency (2015: 1% reduction). After the impact of conversions to *StatPro Revolution*, *StatPro Seven* annualised recurring revenue was £17.98 million (2015: £18.67 million).

The ARR from cloud services *(StatPro Revolution* and IA) is now 38% of the Group total (2015: 23%) and has grown at a higher rate than other revenues as the service is developed on a highly scalable technology platform.

The total recurring revenue from clients whose subscription includes *StatPro Revolution*, was £21.60 million (2015: £13.10 million) representing 67% (2015: 52%) of total software recurring revenue.

There has been a significant increase (82%) in average revenue per *StatPro Revolution* client to £43,600 (2015: £23,900 at constant currency) including the impact of IA, where average revenue per IA client is approximately £75,800. The organic growth of average ARR for Revolution was 62%.

SaaS-based KPIs

The Group has pioneered the introduction of key SaaS metrics. One such measure used by SaaS businesses is to estimate the costs of acquiring each customer ("CAC") and to compare that with the Lifetime Value of the customer contracts ("LTV"). The results for StatPro are presented below for June 2016 on a 12 month trailing basis.

	Unaudited	Unaudited
All contracts	**Year to 30 June**	Year to 30 June
	2016	2015
Average Cost of Acquiring Customer ("CAC") (£'000s)	**48.2**	54.4
Implied Customer Lifetime (years)	**6.8**	9.2
Average ARR per customer (£'000s)	**76.1**	59.7
Implied Customer Lifetime Value ("LTV") (£'000s)	**521**	551
LTV: CAC	**10.8**	10.1

Generally a value of three or higher for the ratio of LTV:CAC is considered the industry benchmark for a successful SaaS business and for StatPro it is well above this figure.

Operating expenses

Operating expenses (before amortisation of intangible assets and exceptional items) increased by 14% (12% at constant currency) to £14.54 million (2015: £12.74 million). £1.42 million (11%) of the increase was related to the acquisitions. Other increases in expenditure related to the investment in cloud technology, data costs, software and communications costs and cloud infrastructure. The average number of employees was 255 (2015: 245).

Exceptional items

Exceptional items amounting to a total of £1.24 million were incurred. These include: £1.06 million related to the acquisition of IA, of which £0.47 million related to transaction costs and the remainder related to reorganisation costs, redundancies and onerous leases. £0.44 million relating to a reorganisation of the Paris office including redundancy costs and onerous leases; and a credit of £0.26 million arose related to the negative goodwill on the InfoVest acquisition. The tax credit on the exceptional items was £0.39 million.

Profitability

Adjusted EBITDA increased to £2.05 million (2015: £1.73 million). Gross profit margin for the period was 60% (2015: 61%) as shown in note 5.

Finance income and expense

Net finance expense increased to £0.36 million (2015: £0.16 million), as a result of moving into net debt following the financing of the IA acquisition and share buyback.

(Loss)/profit before tax

Adjusting for amortisation of acquired intangible assets, exceptional items and share based payments, the adjusted profit before taxation was flat year on year at £0.93 million (2015: £0.93 million). Currency movements increased adjusted profit before taxation by approximately £0.11 million. The loss before taxation was £0.96 million (2015: profit £0.82 million), mainly as a result of exceptional items of £1.24 million and amortisation of acquired intangibles of £0.55 million.

Taxation

The tax credit was £0.25 million (2015: charge is £0.27 million). The overall effective tax rate is 26% (2015: 32%). The underlying credit on adjusted profit before tax was approximately 13%. This is low primarily because of tax losses in the Group. The effective tax rate relating to the exceptional charges was 32%. Although tax cash payments in H1 2016 were higher than typical at £1.42 million (2015: £0.67 million), the Group anticipates receiving some refunds in H2 2016.

Earnings per share

Adjusted earnings per share was 1.1p (2015: 1.0p). Actual and diluted losses per share was 1.2p (2015: earnings per share 0.8p).

Interim dividend

An interim dividend of 0.85 pence per ordinary share (2015: 0.85 pence) will be paid on 2 November 2016 to shareholders on the register at the close of business on 7 October 2016 (ex-div date will be 6 October 2016).

Balance sheet

The Group's net assets at the period end were £40.69 million (2015: £42.49 million). The increase in gross assets was primarily due to the increase in goodwill of £11.20 million (of which £5.01 million related to acquisitions and £6.19 million to revaluation) and other intangible assets amounting to £4.95 million. This main increase in the liabilities was the increase in borrowings related to the acquisition of IA. There has also been a large increase in deferred revenue, which is a non-cash liability to £15.67 million (2015: £12.42 million). The deferred tax liability increased to £2.20 million (2015: £0.50 million), mainly due to the impact of the accounting for the acquired intangible assets.

Cash flow and financing

StatPro continues to be cash generative with cash generated from operations of £3.17 million before exceptional payments (2015: £3.69 million), although lower than the prior year, mainly due to lower working capital movements. The free cash flow (before exceptional payments) was an outflow of £1.57 million (2015: £0.78 million inflow). The free cash flow was negative in H1 2016 due to a higher level of investment in property, plant and equipment and intangibles and a higher than normal level of tax paid.

The Group ended the period with net debt of £9.14 million (2015: net cash £2.03 million). The increase in net debt arose because of the financing of the IA acquisition and share buyback using the Group's debt facilities.

Financing facility

As part of the acquisition of IA in January 2016, the financing facilities with Wells Fargo (originally completed in July 2015 and available for acquisitions, share buybacks and general corporate purposes), were increased. The key features of the facilities now are:

- Five year commitment period to July 2020
- £10 million committed revolving credit facility
- US$6.825 million committed term loan ($175,000 of original loan was repaid on 30 June as planned)
- US$3 million committed deferred drawdown loan
- £7.5 million uncommitted additional facility available

The primary financial covenants are linked to recurring revenue and adjusted EBITDA while allowing the Group to invest for growth. The financing costs will be amortised over the five year term. This facility strengthens the Group's long-term financial structure and therefore the Board believes that the Group is well positioned to manage the business risks.

Acquisitions

During H1 2016, StatPro completed two acquisitions.

Acquisition of Investor Analytics

On 21 January 2016, StatPro acquired the entire share capital of Investor Analytics LLC, the US-headquartered, cloud-based risk analytics company to hedge funds and asset managers.

Acquisition of majority control of InfoVest

With effect from 1 March 2016, StatPro South African business acquired a 51% shareholding in InfoVest Consulting (Pty) Ltd, a South African headquartered software provider, specialising in data warehouse, ETL and reporting software for the asset management industry.

Further details on these acquisitions are provided in note 9.

Share buyback

On 11 March 2016, the Group purchased 2,873,713 at a price of 72p per share. This was financed by its debt facility with Wells Fargo.

Research and development and capex

The research and development team is now focused solely on the Group's cloud-based solutions, the *StatPro Revolution* platform. R&D expenditure reduced overall by 11% to £2.27 million as planned (2015: £2.55 million), equating to 13% of Group revenue (2015: 17%). Included within investment in intangible assets are capitalised development costs of £1.87 million (2015: £1.67 million) and amortisation on internal development was £1.71 million (2015: £1.57 million). The Group expects that R&D expenditure as a percentage of revenue will continue to decrease in the future. Capital expenditure on property, plant and equipment was £1.02 million (2015: £0.51 million).

Principal risks and uncertainties

The directors continue to evaluate the principal business risks and uncertainties affecting the Group and further discussion of the principal risks and uncertainties can be found on pages 28 to 31 of the StatPro 2015 Annual Report. The result of the Brexit referendum in the UK is not expected to have any adverse impact on the Group and there has been a significant positive impact on the Group's ARR due to fall in sterling since the result, as only 15% of the Group's ARR is denominated in GBP.

Group Income Statement
For the six months ended 30 June 2016

	Notes	Unaudited Six months to 30 June 2016	Unaudited Six months to 30 June 2016	**Unaudited Six months to 30 June 2016**	Unaudited Six months to 30 June 2015	Audited Year to 31 December 2015
		£'000s	£'000s	**£'000s**	£'000s	£'000s
		Continuing operations	Acquisitions	**Total**		
Revenue	3	15,818	1,728	**17,546**	15,444	30,187
Operating expenses before amortisation of intangible assets and exceptional items		(13,128)	(1,417)	**(14,545)**	(12,741)	(23,722)
Amortisation of acquired intangible assets		-	(546)	**(546)**	(32)	(32)
Amortisation of other intangible assets		(1,817)	-	**(1,817)**	(1,688)	(3,734)
Exceptional items	4	(438)	(803)	**(1,241)**	-	-
Operating expenses		(15,383)	(2,766)	**(18,149)**	(14,461)	(27,488)
Operating profit/(loss)		435	(1,038)	**(603)**	983	2,699
Finance income				**7**	5	9
Finance expense				**(364)**	(167)	(299)
Net finance expense				**(357)**	(162)	(290)
(Loss)/profit before taxation				**(960)**	821	2,409
Taxation				**252**	(266)	(788)
(Loss)/profit for the period				**(708)**	555	1,621
Profit attributable to non-controlling interests				**71**	-	-
(Loss)/profit attributable to equity shareholders				**(779)**	555	1,621
				(708)	555	1,621
Earnings per share – basic	2			**(1.2)p**	0.8p	2.4p
– diluted	2			**(1.2)p**	0.8p	2.4p

Group Statement of Comprehensive Income
For the six months ended 30 June 2016

	Unaudited	Unaudited	Audited
	Six months to 30 June	Six months to 30 June	Year to 31 December
	2016	2015	2015
	£'000s	£'000s	£'000s
(Loss)/profit for the period	**(708)**	555	1,621
Other comprehensive income to be reclassified to the income statement:			
Net exchange differences	**4,864**	(2,504)	(4,012)
Total comprehensive income/(loss) for the period	**4,156**	(1,949)	(2,391)
Attributable to:			
Non-controlling interests	**71**	-	-
Equity shareholders	**4,085**	(1,949)	(2,391)
Total comprehensive income/(loss) for the period	**4,156**	(1,949)	(2,391)

Group Balance Sheet
At 30 June 2016

	Notes	**Unaudited At 30 June 2016**	Unaudited At 30 June 2015	Audited At 31 December 2015
		£'000s	£'000s	£'000s
Non-current assets				
Goodwill	10	**53,656**	43,644	42,460
Other intangible assets	10	**11,107**	5,788	6,153
Property, plant and equipment		**2,895**	2,375	2,233
Other receivables		**237**	101	147
Deferred tax assets		**890**	1,138	807
		68,785	53,046	51,800
Current assets				
Trade and other receivables		**9,211**	6,607	8,264
Financial instruments - other		**-**	58	-
Current tax assets		**1,042**	-	198
Cash and cash equivalents		**3,615**	2,192	2,203
		13,868	8,857	10,665
Liabilities				
Current liabilities				
Financial liabilities - borrowings		**(511)**	(63)	(118)
Financial instruments - other		**(283)**	(8)	(41)
Trade and other payables		**(5,385)**	(4,942)	(4,654)
Current tax liabilities		**(162)**	(608)	(1,106)
Deferred income		**(15,631)**	(12,323)	(13,217)
Provisions	11	**(2,646)**	(705)	(642)
		(24,618)	(18,649)	(19,778)
Net current liabilities		**(10,750)**	(9,792)	(9,113)
Non-current liabilities				
Financial liabilities - borrowings		**(12,245)**	(102)	(801)
Other creditors		**(44)**	(60)	(47)
Deferred tax liabilities		**(2,202)**	(503)	(233)
Deferred income		**(41)**	(101)	(89)
Provisions	11	**(2,811)**	-	-
		(17,343)	(766)	(1,170)
Net assets		**40,692**	42,488	41,517
Shareholders' equity				
Share capital	12	**678**	678	678
Share premium		**23,537**	23,537	23,537
Shares to be issued		**63**	63	63
Treasury shares	12	**(2,328)**	(249)	(249)
Other reserves		**5,627**	4,200	2,692
Retained earnings		**12,796**	14,259	14,796
Total shareholders' equity		**40,373**	42,488	41,517
Non-controlling interests		**319**	-	-
Total equity		**40,692**	42,488	41,517

Group Statement of Cash Flows
For the six months ended 30 June 2016

	Notes	**Unaudited Six months to 30 June 2016**	Unaudited Six months to 30 June 2015	Audited Year to 31 December 2015
		£'000s	£'000s	£'000s
Operating activities				
Cash generated from operations	6	**2,291**	3,690	6,548
Finance income		**7**	5	9
Finance costs		**(223)**	(25)	(93)
Tax received		**-**	-	-
Tax paid		**(1,421)**	(669)	(832)
Net cash flow from operating activities		**654**	3,001	5,632
Investing activities				
Acquisition of subsidiaries (net of cash acquired)		**(4,806)**	-	-
Investment in intangible assets		**(2,080)**	(1,708)	(4,127)
Purchase of property, plant and equipment		**(1,016)**	(513)	(881)
Proceeds from the disposal of property, plant and equipment		**-**	-	9
Net cash flow used in investing activities		**(7,902)**	(2,221)	(4,999)
Financing activities				
Net proceeds from bank loan		**10,797**	-	639
Net proceeds from finance leases		**1,040**	153	269
Proceeds from issue of ordinary shares		**-**	64	64
Purchase of own shares		**(2,079)**	-	-
Dividends paid to shareholders		**(1,327)**	(1,386)	(1,960)
Net cash flow from/(used) in financing activities		**8,431**	(1,169)	(988)
Net increase/(decrease) in cash and cash equivalents		**1,183**	(389)	(355)
Cash and cash equivalents at start of period		**2,203**	2,692	2,692
Effect of exchange rate movements		**229**	(111)	(134)
Cash and cash equivalents at end of period		**3,615**	2,192	2,203

Group Statement of Changes in Shareholders' Equity
For the six months ended 30 June 2016

Unaudited	Share capital £'000s	Share premium £'000s	Shares to be issued £'000s	Treasury shares £'000s	Other reserves * £'000s	Retained earnings £'000s	Non-controlling interest £'000	Total equity £'000s
At 1 January 2015	677	23,474	63	(249)	6,704	15,016	-	45,685
Profit for the period	-	-	-	-	-	555	-	555
Other comprehensive income	-	-	-	-	(2,504)	-	-	(2,504)
Total comprehensive income	-	-	-	-	(2,504)	555	-	(1,949)
Transactions with owners:								
Share based payment transactions	-	-	-	-	-	77	-	77
Tax relating to share option scheme	-	-	-	-	-	(3)	-	(3)
Shares issued	1	63	-	-	-	-	-	64
Dividends	-	-	-	-	-	(1,386)	-	(1,386)
At 30 June 2015	**678**	**23,537**	**63**	**(249)**	**4,200**	**14,259**	**-**	**42,488**

Unaudited	Share capital £'000s	Share premium £'000s	Shares to be issued £'000s	Treasury shares £'000s	Other reserves * £'000s	Retained earnings £'000s	Non-controlling interest £'000	Total equity £'000s
At 1 January 2016	678	23,537	63	(249)	2,692	14,796	-	41,517
Profit for the period	-	-	-	-	-	(779)	71	(708)
Other comprehensive income	-	-	-	-	4,864	-	-	4,864
Total comprehensive income	-	-	-	-	4,864	(779)	71	4,156
Transactions with owners:								
Put option relating to non-controlling interests	-	-	-	-	(1,929)	-	-	(1,929)
Non-controlling interests	-	-	-	-	-	-	248	248
Purchase of own shares	-	-	-	(2,079)	-	-	-	(2,079)
Share based payment transactions	-	-	-	-	-	105	-	105
Tax relating to share option scheme	-	-	-	-	-	1	-	1
Shares issued	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(1,327)	-	(1,327)
At 30 June 2016	**678**	**23,537**	**63**	**(2,328)**	**5,627**	**12,796**	**319**	**40,692**

* Other reserves includes a merger reserve of £2,369,000 (2015: £2,369,000), a translation reserve surplus of £5,187,000 (2015: £1,831,000) and a reserve relating to the put option held by non-controlling interests of a debit balance of £1,929,000 (2015: nil). The merger reserve arose on acquisitions and represents the difference between the fair value and the nominal value of the shares issued. The translation reserve incorporates the gains and losses on revaluation of the net assets and liabilities of subsidiary undertakings and other currency gains and losses that are presented in equity.

Notes to the interim financial information
For the six months ended 30 June 2016

1. Principal Accounting policies

This interim report was approved by the Board of directors on 2 August 2016. The financial information set out in this interim report has been prepared under IFRS as adopted by the European Union and on the basis of the accounting policies set out in the statutory accounts of StatPro Group plc for the year ended 31 December 2015, amended as explained below.

New and amended accounting standards and interpretations

The following interpretations to existing standards have been published that are mandatory for the Group's accounting and are effective in the current period. The new standard does not impact the interim report.

- IFRS 14 Regulatory Deferral Accounts – 1 January 2016

Interpretations and revised standards that are not yet effective and have not been early adopted by the Group

The following interpretations to existing standards have been published that are mandatory for the Group's future accounting but which the Group has not adopted early. We have not yet fully assessed the impact of these new standards.

- IFRS 9 Financial Instruments – Classification and Measurement – 1 January 2018
- IFRS 15 Revenue from Contracts with Customers – 1 January 2018
- IFRS 16 Leases – 1 January 2019

This report is not prepared in accordance with IAS 34, which is not mandatory. This interim report has not been audited but has been reviewed in accordance with ISRE 2410 by the Company's auditors, Ernst & Young LLP. The financial information does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. Statutory accounts for StatPro Group plc for the year ended 31 December 2015 reported under IFRS have been delivered to the Registrar of Companies. The 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. Copies of this report will be posted or provided electronically to shareholders. Further copies are available free of charge on request from the Company Secretary at the Company's registered office, Mansel Court, Mansel Road, London SW19 4AA.

Basis of preparation – going concern

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Board continues to adopt the going concern basis in preparing the interim report.

2. Earnings per share

Basic (loss)/earnings per share has been calculated based on the loss after taxation of £0.78 million (2015: profit of £0.56 million) and the weighted average number of shares of 65.84 million (2015: 67.55 million). The diluted losses per share were 1.2p (2015: earnings of 0.8p) based on potentially dilutive shares outstanding of 1.06 million (2015: 0.39 million).

	Earnings Six months to 30 June 2016	Weighted average number of shares Six months to 30 June 2016	Earnings per share Six months to 30 June 2016	Earnings Six months to 30 June 2015	Weighted average number of shares Six months to 30 June 2015	Earnings per share Six months to 30 June 2015
	Unaudited	**Unaudited**	**Unaudited**	Unaudited	Unaudited	Unaudited
	£'000s	**'000s**	**pence**	£'000s	'000s	pence
(Loss)/earnings per share - basic	**(779)**	**65,836**	**(1.2)**	555	67,548	0.8
Potentially dilutive shares	**-**	**1,059**	**(0.0)**	-	389	(0.0)
(Loss)/earnings per share - diluted	**(779)**	**66,895**	**(1.2)**	555	67,937	0.8

Adjusted earnings per share are shown in the table below.

	Earnings Six months to 30 June 2016	Weighted average number of shares Six months to 30 June 2016	Earnings per share Six months to 30 June 2016	Earnings Six months to 30 June 2015	Weighted average number of shares Six months to 30 June 2015	Earnings per share Six months to 30 June 2015
	Unaudited	**Unaudited**	**Unaudited**	Unaudited	Unaudited	Unaudited
	£'000s	**'000s**	**pence**	£'000s	'000s	pence
(Loss)/earnings per share – basic	**(779)**	**65,836**	**(1.2)**	555	67,548	0.8
Add back: amortisation of acquired intangibles	**546**	**-**	**0.8**	32	-	0.1
Effect of exceptional items	**1,241**	**-**	**1.9**	-	-	-
Effect of tax on exceptional items	**(391)**	**-**	**(0.6)**	-	-	-
Add back: share based payments	**105**	**-**	**0.2**	77	-	0.1
Adjusted earnings per share	**722**	**65,836**	**1.1**	664	67,548	1.0
Potentially dilutive shares	**-**	**1,059**	**(0.0)**	-	389	(0.0)
Adjusted earnings per share - diluted	**722**	**66,895**	**1.1**	664	67,937	1.0

3. Revenue analysis

The movement in Annualised Recurring Revenue in the period was as follows:

Annualised Recurring Revenue	**2016 £ million**	2015 £ million
At 31 December 2015	**28.70**	29.39
Net impact of exchange rates	**3.03**	(1.30)
At 1 January 2016 (at 30 June 2016 rates)	**31.73**	28.09
ARR added with acquisitions	**3.97**	-
New contracted revenue	**2.99**	2.09
Cancellations/reductions	**(2.52)**	(1.56)
Net increase	**0.47**	0.53
At 30 June 2016	**36.17**	28.62

Revenue by product/service

Revenue by type of product or service was as follows:

	Six months to 30 June 2016 Continuing operations	Six months to 30 June 2016 Acquisitions	Six months to 30 June 2016 Total	Six months to 30 June 2015	Year to 31 December 2015
	£ million	**£ million**	**£ million**	£ million	£ million
Revenue					
Software licences - StatPro Seven	8.99	0.14	**9.13**	10.27	19.49
Software licences - StatPro Revolution	4.02	1.43	**5.45**	2.45	5.72
Software licences - total	13.01	1.57	**14.58**	12.72	25.21
Data fees	1.81	-	**1.81**	1.68	3.34
Total recurring revenue	14.82	1.57	**16.39**	14.40	28.55
Professional services and other revenue	1.00	0.16	**1.16**	1.04	1.64
Total revenue	15.82	1.73	**17.55**	15.44	30.19

The Annualised Recurring Revenue profile of StatPro Revolution clients (including Investor Analytics cloud solution sold via Revolution) was as follows:

StatPro Revolution	**Annualised revenue**	**Number of clients**	**Average revenue per client**	Annualised revenue*	Number of clients	Average revenue per client *
Annualised revenue bands	**June 2016 £’000s**	**June 2016 Number**	**June 2016 £’000s**	June 2015 £’000s	June 2015 Number	June 2015 £’000s
<£2k	**69**	**61**	**1.1**	127	101	1.3
£2k - £10k	**331**	**66**	**5.0**	457	87	5.3
£10k-£50k	**2,081**	**99**	**21.0**	1,733	72	24.1
£50k-£100k	**3,170**	**42**	**75.5**	2,325	30	77.5
>£100k	**8,068**	**47**	**171.7**	2,572	12	214.3
Total	**13,719**	**315**	**43.6**	7,214	302	23.9

* at constant currency

SaaS KPIs

StatPro Revolution contracts only	**Unaudited Including IA Year to 30 June**	**Unaudited Excluding IA Year to 30 June**	Unaudited Year to 30 June
	2016	**2016**	2015
Average Cost of Acquiring Customer ("CAC") (£'000s)	**39.5**	**40.3**	37.9
Implied Customer Lifetime (years)	**9.0**	**28.6**	16.7
Average ARR per customer (£'000s)	**43.6**	**38.7**	21.4
Implied Customer Lifetime Value ("LTV") (£'000s)	**393**	**1,107**	358
LTV: CAC	**9.9**	**27.5**	9.5

The SaaS KPIs above are for the cloud products and we include the results with and without IA for June 2016. Revolution is a more recently developed product and therefore has lower churn and hence a higher implied lifetime and hence a much higher LTV and LTV:CAC ratio.

4. Exceptional items

Exceptional items amounting to a total of £1.24 million were incurred. £1.06 million related to the acquisition of Investor Analytics, of which £0.47 million related to transaction costs and the remainder related to reorganisation costs, redundancies and onerous leases. There was also an exceptional charge amounting to £0.44 million relating to a reorganisation of our Paris office including redundancy costs and onerous leases. There was also an exceptional credit of £0.26 million arising related to the negative goodwill on the InfoVest acquisition. The tax credit on the exceptional items was £0.39 million.

5. Adjusted profit before taxation, adjusted operating profit, adjusted EBITDA and gross margin analysis

a) Adjusted profit before taxation

	Unaudited	Unaudited	Audited
	Six months to 30 June	Six months to 30 June	Year to 31 December
	2016	2015	2015
	£'000s	£'000s	£'000s
(Loss)/profit before taxation	**(960)**	821	2,409
Add back: Amortisation on acquired intangible assets	**546**	32	32
Add back: Exceptional items	**1,241**	-	-
Add back: Share based payments	**105**	77	121
Adjusted profit before tax	**932**	930	2,562

b) Adjusted operating profit

`	**Unaudited**	Unaudited	Audited
	Six months to 30 June	Six months to 30 June	Year to 31 December
	2016	2015	2015
	£'000s	£'000s	£'000s
Operating (loss)/profit	**(603)**	983	2,699
Add back: Amortisation on acquired intangible assets	**546**	32	32
Add back: Exceptional items	**1,241**	-	-
Add back: Share based payments	**105**	77	121
Adjusted operating profit	**1,289**	1,092	2,852

c) Adjusted EBITDA

	Unaudited	Unaudited	Audited
	Six months to 30 June	Six months to 30 June	Year to 31 December
	2016	2015	2015
	£'000s	£'000s	£'000s
Operating (loss)/profit	**(603)**	983	2,699
Add back: Depreciation of property, plant and equipment	**659**	517	996
Add back: Amortisation on purchased intangible assets	**105**	117	196
Add back: Amortisation on acquired intangible assets	**546**	32	32
Add back: Exceptional items	**1,241**	-	-
Add back: Share based payments	**105**	77	121
Adjusted EBITDA	**2,053**	1,726	4,044
Adjusted EBITDA margin	**11.7%**	11.2%	13.4%

d) Gross profit margin analysis

Gross profit margin analysis helps us assess the profitably of incremental revenue as the business evolves into a pure cloud business and the costs drivers begin to change. As there are a number of methodologies for allocating costs, we have described how we have allocated the cost elements. The Board's view is that, as the business grows, the inherent scalability of cloud technology will lead to greater profitability in the future.

	Unaudited	Unaudited	Unaudited
	Six months to 30 June	Six months to 30 June	Year to 31 December
	2016	2015	2015
	%	%	%
Revenue	**100.0%**	100.0%	100.0%
Cost of services	**(40.0%)**	(38.9%)	(38.6%)
Gross profit margin	**60.0%**	61.1%	61.4%
R&D costs	**(6.3%)**	(5.1%)	(4.2%)
Sales & Marketing costs	**(8.9%)**	(11.9%)	(11.3%)
General & Administration costs	**(33.6%)**	(33.4%)	(32.9%)
	(48.8%)	(50.4%)	(48.4%)
Share based payments	**0.5%**	0.5%	0.4%
Adjusted EBITDA	**11.7%**	11.2%	13.4%

Definition of cost category for gross margin analysis:
Cost of services includes Clients Services employee salaries, Data employee salaries, Development employee salaries related to support, contractors costs, data costs, costs of software and hardware maintenance.

R&D includes the element of Development employee salaries that relates to new research and development.

Sales & marketing includes Sales and Marketing employee salaries, external marketing costs and sales commissions.

General & administration includes the Finance, HR and IT employee salaries, communications costs, occupancy costs, professional fees, travel and expenses, and other costs.

Free cash flow

	Unaudited Six months to 30 June 2016	Unaudited Six months to 30 June 2015	Audited Year to 31 December 2015
	£'000s	£'000s	£'000s
Cash generated from operations before exceptional payments	**3,166**	3,690	6,548
Net interest paid	**(216)**	(20)	(84)
Net tax paid	**(1,421)**	(669)	(832)
Purchase of property, plant and equipment	**(1,016)**	(513)	(881)
Investment in intangible assets	**(2,080)**	(1,708)	(4,127)
Free cash flow	**(1,567)**	780	624
Cash flow on exceptional items	**(875)**	-	-
Free cash flow	**(2,442)**	780	624

The free cash flow was negative in H1 2016 due to a higher level of investment in property, plant and equipment and intangibles and a higher than normal level of tax paid.

6. Reconciliation of profit before tax to net cash inflow from operating activities

	Unaudited Six months to 30 June 2016	Unaudited Six months to 30 June 2015	Audited Year to 31 December 2015
	£'000s	£'000s	£'000s
(Loss)/profit before taxation	**(960)**	821	2,409
Net finance expense	**357**	162	290
Operating (loss)/profit	**(603)**	983	2,699
Exceptional items	**1,241**	-	-
Operating profit before exceptional items	**638**	983	2,699
Depreciation of property, plant and equipment	**659**	517	996
Loss on disposal of property, plant and equipment	**-**	-	11
Amortisation of intangible assets	**2,363**	1,720	3,766
Decrease/(increase) in receivables	**826**	1,058	(782)
(Decrease)/increase in payables and provisions	**(1,560)**	(961)	(1,402)
Increase in deferred income	**135**	296	1,139
Share based payments	**105**	77	121
Net cash inflow from operating activities before exceptional payments	**3,166**	3,690	6,548
Cash flow on exceptional items	**(875)**	-	-
Net cash inflow from operating activities	**2,291**	3,690	6,548

7. Reconciliation of net cash flow to movement in net (debt)/cash

	Unaudited	Unaudited	Audited
	Six months to 30 June	Six months to 30 June	Year to 31 December
	2016	2015	2015
	£'000s	£'000s	£'000s
Increase/(decrease) in cash and cash equivalents in the period	**1,183**	(389)	(355)
Movement on bank loans	**(10,797)**	-	(639)
Movement on finance leases	**(1,040)**	(153)	(269)
Exchange movements	**229**	(111)	(133)
Movement in net (debt)/cash	**(10,425)**	(653)	(1,396)
Net cash at beginning of period	**1,284**	2,680	2,680
Net (debt)/cash at end of period	**(9,141)**	2,027	1,284

8. Dividend

An interim dividend for 2016 of 0.85 pence per Ordinary Share (2015: 0.85 pence) will be paid on 2 November 2016 to shareholders on the register on 7 October 2016. A final dividend for 2015 of 2.05 pence per ordinary share was paid on 25 May 2016.

9. Acquisitions

Acquisition of Investor Analytics

On 21 January 2016, StatPro Inc. (a wholly owned subsidiary of the Company) acquired the entire share capital of Investor Analytics LLC, the US-headquartered, cloud-based risk analytics' company to hedge funds and asset managers for a cash consideration of $10 million. There is an additional contingent payment of up to $6 million.

Highlights of the acquisition are:

- Complementary Risk Factor and Monte Carlo models to add to StatPro's Historical Simulation risk model
- Significantly increases StatPro's US presence, enhancing geographical reach
- Annualised Recurring Revenue ("ARR") of $4.85 million (£3.3 million)
- Increases StatPro's cloud-based ARR to 34% of total Group ARR from 27%
- Expected to be earnings enhancing in 2016 on a pro-forma basis following completion of the integration programme
- 53 client contracts - all new client relationships for StatPro
- Cash consideration:
    - $7 million on closing
    - Two deferred payments - $2 million after one year and $1 million after two years
    - Additional contingent payment - up to $6 million after one year, dependent on securing a number of new contract wins

Based on unaudited results for the year ended 31 December 2015, IA reported revenue of approximately $5.0 million (of which approximately 94% was recurring) and an EBITDA loss of approximately $0.3 million. Cost synergies have been achieved for data feeds, administrative services, property and other costs. The exceptional charge associated with achieving these, including transaction costs for the acquisition, was £1.06 million.

The tables below provides the allocation of the purchase price to the fair value of intangible and tangible assets acquired as required under IFRS 3 and whilst these have been reviewed by the auditors, they are subject to audit at the year end. The provisional fair values of the assets and liabilities are presented below.

Fair value of assets acquired and liabilities assumed	**Provisional fair value**
	£'000
Property, plant and equipment	5
Trade debtors	274
Other receivables	282
Cash and cash equivalents	129
Brand and client contract	2,848
Technology	1,292
	4,830
Deferred income	(625)
Other creditors and provisions	(440)
Deferred tax liability	(1,614)
	(2,679)
Total identifiable net assets at fair value	2,151
Goodwill arising on acquisition	5,010
Fair value of purchase consideration	7,161

Acquisition of InfoVest

With effect from 1 March 2016, StatPro South Africa (Pty) Ltd. (a wholly owned subsidiary of the Company) acquired 51% of the share capital of InfoVest Consulting (Pty) Ltd, a South African headquartered software provider, specialising in data warehouse, ETL and reporting software for the asset management industry. The purchase has been made via the transfer of StatPro Portfolio Control ("SPC") licence agreements to InfoVest, which StatPro provides to South African clients and which InfoVest currently supports on behalf of StatPro.

Highlights of the acquisition are:

- Acquisition of 51% of InfoVest
- Purchase settled by the transfer of SPC licence contracts to InfoVest
- Joint marketing agreement signed to promote each other's products and services
- Justin Wheatley, StatPro CEO and Craig Arenhold, CEO StatPro South Africa will join InfoVest Board, although the business will be managed independently
- Deal is expected to be earnings enhancing in 2016

Given increased regulations there is a growing demand for compliance management solutions such as SPC, which is a module of one of StatPro's products, StatPro Seven. By taking a majority stake in InfoVest, StatPro will benefit from this expanding market as well as improving the product and services it offers.

InfoVest's data warehouse software is a cost effective solution for asset managers and service providers to manage their internal data effectively in order to provide both input data to other systems and for reporting. The success of implementing a solution such as StatPro Revolution Performance depends on a client's ability to provide data in a reliable manner. InfoVest's software is designed to do precisely this.

In addition, StatPro and InfoVest have entered into a joint marketing agreement to promote each other's products and services as part of StatPro. InfoVest products will keep their current branding, whilst benefitting from the marketing reach of StatPro.

Based on unaudited results for the year ended 28 February 2016, InfoVest reported revenue of ZAR 20.7 million (approximately £1.0 million), including approximately £0.19 million revenue for supporting SPC. The provisional fair values of the assets and liabilities are presented below.

Fair value of assets acquired and liabilities assumed

	Provisional fair value
	£'000
Property, plant and equipment	34
Trade debtors	329
Other receivables	34
Cash and cash equivalents	67
Brand and client contract	257
Technology	433
	1,154
Deferred income	(403)
Other creditors and provisions	(52)
Deferred tax liability	(193)
	(648)
Total identifiable net assets at fair value	506
Non-controlling interest measured at fair value	(248)
Goodwill arising on acquisition	(258)
Fair value of purchase consideration	-

The negative goodwill arises as there was no deemed consideration following the transfer of SPC contracts and the goodwill is credited to the profit and loss as an exceptional item (see note 4).

There is also a liability included in the Group balance sheet amounting to £1.93 million relating to InfoVest due to the requirement to include a fair value, as defined by IFRS 13, for the theoretical potential amount that StatPro would pay to buy out the non-controlling shareholders under certain circumstances.

10. Goodwill and other intangible assets

The increase in goodwill since 31 December 2015 of £11.20 million relates to increases due to the acquisition of IA amounting to £5.01 million and exchange gains of £6.19 million on revaluation of goodwill denominated in foreign currencies. Other intangible assets comprise internally generated development costs capitalised, acquired intangible assets (client contracts, technology and brands) and purchased intangible assets.

11. Provisions

Provisions of £5.46 million at 30 June 2016 (2015: £0.71 million) relates to deferred contingent consideration for a number of acquisitions and provisions for redundancies and onerous contracts. It includes an amount for the acquisition of the non-controlling interest in SiSoft Sarl as well as amounts relating to the non-controlling interests' put option in InfoVest and deferred consideration for Investor Analytics.

Provisions - Group	2016	2016	2016	**2016**	2015
	Contingent consideration	Non-controlling interests' put option	Redundancies and onerous contracts	**Total**	Total
	£'000s	£'000s	£'000s	**£'000s**	£'000s
At 1 January	642	-	-	**642**	738
Utilised in the period	-	-	(556)	**(556)**	(7)
Arising in the period	2,206	1,929	1,029	**5,164**	-
Exchange differences	207	-	-	**207**	(26)
At 30 June	3,055	1,929	473	**5,457**	705

12. Share capital and treasury shares

No shares were issued during the period (2015: 106,000). 2,873,713 shares were purchased into treasury in March 2016. At 30 June 2016, there were 67,813,650 shares (2015: 67,813,650 shares) in issue including 3,098,713 (2015: 225,000) held in treasury (64,714,937 excluding treasury shares). The treasury shares do not accrue dividends and are excluded from the earnings per share calculation.

Independent review report to StatPro Group plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016, which comprises the Group Income Statement, Group Statement of Comprehensive Income, Group Balance Sheet, Group Statement of Cash Flows, Group Statement of Changes in Shareholders' Equity and the related notes 1 to 12. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the AIM Rules issued by the London Stock Exchange which require that it is presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRS's as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the AIM Rules issued by the London Stock Exchange.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with the accounting policies outlined in Note 1, which comply with IFRS's as adopted by the European Union and in accordance with the AIM Rules issued by the London Stock Exchange.

Ernst & Young LLP
London
2 August 2016