1 August 2018

StatPro Group plc

Solid growth in revenue and profit

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 2018.

	Six months ended 30 June 2018	Six months ended 30 June 2017 Restated [3]	% change	% change at constant currency
Revenue	**£27.24 m**	£22.41 m	+22%	+24%
Annualised Recurring Revenue ("ARR") [1]	**£52.25 m**	£53.19 m	(2%)	0%
Adjusted EBITDA [2]	**£4.34 m**	£3.53 m	+23%	+27%
Profit/(loss) before tax	**£0.90 m**	£(1.54) m		
Earnings/(loss) per share – basic	**1.1p**	(2.4)p		
Earnings per share – adjusted [2]	**3.4p**	2.7p	+26%	
Interim dividend per share	**0.85p**	0.85p	-	

Financial highlights:

- Group revenue up 22% to £27.24 million (2017: £22.41 million)
    - Organic growth 3% (2017: 2%)
    - Currency impact down 2% (2017: up 11%)
- Adjusted EBITDA increased by 23% to £4.34 million (2017: £3.53 million)
- Profit before tax £0.90 million (2017: loss £1.54 million)
- Interim dividend maintained at 0.85 pence per share
- Free cash flow in H1 2018 £2.19 million (2017: £3.52 million)

Operating highlights:

- *StatPro Revolution* underlying ARR growth of 19% [4] (2017: 9%)
- Software as a service (SaaS) as a percentage of software ARR now 84% (2017: 82%)
- *StatPro* Revolution Fixed Income Attribution (FIA) beta launched - key module seeing considerable demand. First step towards achieving parity with Delta
- Integration of Delta progressing well
- Acquired in July 2018 ODDO BHF's regulatory risk services bureau - adds managed regulatory risk services offering

(1) Annualised Recurring Revenue is the annual value of revenue contractually committed at period end.
(2) Adjusted EBITDA and adjusted earnings/losses per share are EBITDA and earnings/losses per share after adjustment for amortisation of acquired intangible assets, acquisition transaction, redundancy and other integration costs, fair value movement on non-controlling interest put option and share based payments (notes 2 and 5).
(3) The interim and full year accounts for 2017 have been restated to take into account the adoption of IFRS 15 (see notes 1 and 3).
(4) Underlying ARR growth relates to Revolution excluding the acquired revenues from Delta and Investor Analytics and including conversions from Seven (see note 3).

Justin Wheatley, Chief Executive of StatPro, commented:

"We are pleased with the solid growth in Group revenue and profits in the first half. In particular, Revolution's underlying Annualised Recurring Revenue grew by 19%.

"The project to integrate Delta's functionality into our flagship product, Revolution, is going well. The launch of Revolution Fixed Income Attribution in July is the first step towards achieving functionality parity with Delta.

"In preparation for the planned restructure of the business into three divisions, we have appointed a new divisional CEO to lead and develop Source: StatPro, our data division. This division leverages our access to huge quantities of data covering global equities, bonds and other data such as global mutual fund information.

"In 2018 and beyond, we anticipate strong growth in specialised managed services for regulations, risk and performance. We are focused upon building our partnerships with Asset Service Providers to broaden the services they offer the asset management community."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014 (MAR).

A presentation for analysts of the interim results will be held at 9.30am today at the offices of Instinctif Partners, 65 Gresham Street, London, EC2V 7NQ.

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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 open source Freedom Index.

The Group has operations in Europe, North America, South Africa and Australia, with hundreds of clients in 39 countries around the world.

StatPro has grown its Annualised Recurring Revenue from less than £1 million in 1999 to around £54 million today. Around 80% of recurring revenues are generated outside the UK. StatPro Group plc shares are listed on AIM.

Overview

The first half of the year saw a strong improvement in adjusted EBITDA, rising 23% to £4.34 million (2017: £3.53 million) with H1 revenues up 22% to £27.24 million (2017: £22.41 million). Excluding currency impact, revenue would have increased by 24%.

ARR, the core measure of the Group's strategy of growing recurring revenue contracts, was flat at constant currency at £52.25 million (2017: £53.19 million). Including the ODDO BHF contracts acquired on 2 July 2018, ARR was £53.74 million on a pro-forma basis.

StatPro Revolution revenues, excluding Delta acquisition, rose 15% and the *StatPro Revolution* ARR increased by 19% on an underlying basis. Adjusted EBITDA was up 23% to £4.34 million (2017: £3.53 million). Free cash flow decreased to £2.19 million from £3.52 million mainly due to less favourable working capital movements. The Group has maintained the interim dividend per share at 0.85p.

The integration of Delta, acquired on 15 May 2017 from UBS, is progressing well with the project phased over three to five years as StatPro incorporates Delta's functionality into its flagship product, *StatPro Revolution*. The Group released the beta version of Revolution Fixed Income Attribution (FIA). This is the first step towards achieving functionality parity with Delta. Throughout the transition, and until StatPro has fully integrated Delta's functionality, as planned, UBS will continue to support Delta for its clients.

The Group acquired in March 2018 the remaining shares in Infovest that it did not own and on 2 July 2018 acquired the regulatory risk service provided by ODDO BHF bank in Frankfurt. StatPro gains new clients in Germany, the expertise of the ODDO BHF risk team and adds to its existing managed services for valuations and performance measurement with risk reporting.

The Group will continue to consider making acquisitions to widen its customer base and/or increase its product portfolio.

The Group is very focused on building relationships with Asset Service Providers ("ASPs") in order to become a key partner for them in the provision of services to the asset management community. StatPro anticipates strong growth in asset management services outsourcing and has positioned itself to be a specialist provider of risk and performance managed services.

Current trading and outlook

Demand continues to grow for the Group's flagship cloud delivered services and with a developing risk services capability, the Board is positive about the prospects for H2 2018 and thereafter. Trading for the year as a whole is in line with expectations.

Operational review

Total Group revenue rose 22% compared to H1 2017 and *StatPro Revolution* grew 15%, excluding Delta acquisition. Record new sales of £6.11 million were recorded, but this was offset by a higher than usual level of cancellations at 9%.

StatPro Seven also continues to be resilient with net reductions of 1%, excluding conversions to *StatPro Revolution*. Professional services revenue was slightly lower at £0.97 million (2017: £1.03 million) partly reflecting the greater ease of onboarding clients with cloud-based solutions.

On 28 July 2018, the Group released the beta version of Revolution FIA. This is a key module in the Group's offering and StatPro has considerable demand for this capability. The release of FIA will enable a large number of clients of StatPro Seven to convert fully to *StatPro Revolution*. In the coming months, further functionality will be added to FIA to make it the most compelling fixed income solution in the market.

Notably, no other service is able to offer such a wide range of portfolio analytics, nor such speed of implementation on a single platform as *StatPro Revolution*. FIA has been designed to handle huge scale and the Group looks forward to rolling it out to its clients and prospects.

Managed services

StatPro has long predicted that the asset management market would shift decisively towards outsourcing non-core activities, including regulatory reports, data management, performance reporting and risk reporting. This is also driven by asset managers looking to reduce costs with external service providers benefiting from economies of scale.

The Group's aim has therefore been to equip asset service providers with the technology to offer a flexible, responsive and sophisticated service. As a result, the Group has increased its focus on asset service providers and is deploying more resource to target companies of all sizes in this market.

In order to offer this segment the best possible service, StatPro is now offering managed services and pre-sales support. Smaller asset service providers and some larger providers will find it more convenient and cost effective to sub-contract performance and risk reporting to StatPro than to establish their own teams.

Assembling the required range of skills to provide a service is expensive and needs a high minimum level of revenue to break-even. The advantage that even the smallest asset service provider has is access to the portfolio data of the client, which is the essential input. However, it is not sufficient for StatPro to provide the managed service, it is also necessary to support the asset service providers in selling the benefits of the service. StatPro therefore offers pre-sales expertise to enable our partner asset service providers to sell the service effectively.

The Group has a unique position to offer software solutions that are truly tailored to meet the needs of asset service providers. The Group's multi-tenant, highly scalable, cloud-based technology is perfectly adapted to the needs of asset service providers. StatPro is well positioned to benefit from the reduced number of software solutions asset managers have in-house and the trend towards outsourcing, helping them to reduce costs in an increasingly tough market for them.

StatPro's business model of selling services on a per portfolio basis is also designed to minimise the effects of mergers as it is likely that the market will continue to experience significant consolidation.

Infovest

In March 2018, StatPro acquired the remaining outstanding shares in Infovest, the integration and data management business. Infovest has made strong progress since StatPro acquired the initial 51% of the business in March 2016.

Infovest's revenues and profitability have continued to grow as Infovest has been able to leverage the Group's global network of clients to win new business in the US, Canada and the UK as well as its home market of South Africa.

Acquisition

On 2 July 2018, StatPro acquired the regulatory risk service of ODDO BHF. This is a widely respected service that was started nearly 15 years ago. However, the third-party software that the service was based on became dated and inflexible with a high investment cost required. The Board of ODDO BHF therefore sought a partner that could ensure that their clients would have a smooth transition to new cloud-based technology and improved services whilst maintaining capabilities of the original service.

This small acquisition brings 10 new clients in the important German market as well as expertise in offering managed risk services. The Group intends to build its planned managed services team around this core based in Frankfurt. Three of the clients are themselves asset service providers and these offer further partnership possibilities.

Source: StatPro

StatPro has made the decision to invest more in its data division and we have appointed a new divisional CEO to grow the business unit, which will be called *Source: StatPro*.

Source: StatPro owns a huge quantity of data covering global equities and bonds and also has access to other data such as global mutual fund information.

In addition, and to support our analytics business, we have a consolidated pass through feed of millions of indexes. We also have high quality yield curve data and automated pricing systems for complex assets. These services have been mainly focused in the past as valuable and essential input data for *StatPro Revolution*. Our intention now is to sell these services in their own right.

Divisional structure for 2019

As previously announced, StatPro plans to structure the business into three divisions from 2019 to make the operations of the business clearer, to provide distinct divisional management focus and to enable growth in each division based on specific divisional priorities.

The largest division, Revolution, will contain all the Group's analytics services. *Source: StatPro* will contain data revenues from market data and managed services, evaluated bond prices, index services, yield curves and complex asset pricing. Infovest will contain Infovest based in South Africa and SPM, the portfolio management service based in Canada.

Financial review

Revenue

Group revenue increased by 22% to £27.24 million (2017: £22.41 million). The revenue growth was driven by organic growth in *StatPro Revolution,* combined with the positive impact of six months of the Delta acquisition (compared with only 1.5 months in H1 2017), offset by the expected reduction in revenue for StatPro Seven and currency impacts, as shown below.

	£m	% change
Revenue bridge		
H1 2017 at actual rates	**22.41**	
Underlying growth		
StatPro Revolution	**0.80**	+15%
StatPro Seven	**(0.16)**	(2%)
Data	**0.05**	+3%
Professional fees	**(0.04)**	(4%)
	0.65	+3%
Impact of acquisition, accounting standard and currency		
Acquisition impact	**4.90**	
Impact of IFRS 15	**(0.22)**	
Currency impact	**(0.50)**	
H1 2018 at actual rates	**27.24**	+22%

96% of Group revenue was recurring revenue (2017: 95%).

The adoption of IFRS 15 has resulted in increased revenue in H1 2018 by £0.57 million (£0.79 million benefit for H1 2017) because of earlier recognition of software licences on non-hosted contracts. However, this is largely a timing issue and the impact on the full year is expected to be minimal (see notes 1 and 3).

Recurring revenue

The Group's SaaS business model of recurring revenue contracts provides visibility of projected revenue. ARR at the end of June 2018 was flat at constant currency at £52.25 million (2017: £53.19 million); with the addition of the contracts acquired from ODDO BHF in July 2018, Group ARR was £53.74 million on a pro-forma basis.

Underlying growth of StatPro Revolution ARR over the last 12-month period was 19%. Excluding the impact of conversions, StatPro Seven ARR reduced by 1%; Data ARR increased by 4%.

Group gross new sales increased by 12% to £6.11 million (2017: £5.47 million) but overall Group ARR was flat at constant currency (2017: organic increase of 3%), having been impacted by a higher than historical level of cancellations (excluding conversions) of 9%.

StatPro's revenue derives from contracts in a mix of currencies, primarily being EUR, USD, GBP and CAD and therefore the business is impacted by movements in currency rates but the spread of currencies for both revenues and costs provides an element of natural hedging in the reported results. There has been a further increase (16%) in average revenue per *StatPro Revolution/cloud* client to £86,900 (2017: £75,200).

Approximately 84% of new recurring contracted revenue came from existing clients (2017: 85%). Data fees were stable at £2.00 million (2017: £2.03 million) and professional services revenue was £0.97 million (2017: £1.03 million).

SaaS-based KPIs

One KPI used by SaaS businesses is the ratio of costs of acquiring each customer ("CAC") compared to the Lifetime Value of the customer contracts ("LTV"). The results for StatPro are presented below for June 2018 on a 12-month trailing basis.

All contracts (unaudited)	**Year to 30 June 2018**	Year to 30 June 2017
Average Cost of Acquiring Customer ("CAC") (£'000s)	**158.1**	120.0
Implied Customer Lifetime (years)	**10.2**	12.4
Average ARR per customer (£'000s)	**107.8**	98.8
Implied Customer Lifetime Value ("LTV") (£'000s)	**1,103**	1,221
LTV: CAC	**7.0**	10.2

The average cost of acquiring customers has increased following the impact of the Delta acquisition and the implied life time is lower thus the LTV:CAC ratio is lower than the prior year. Nevertheless, 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 other adjustments) increased in line with plans by 23% to £21.90 million (2017: £17.83 million); this primarily relates to the impact of an additional 4.5 months of Delta costs compared to H1 2017. Excluding the impact of currency and additional Delta costs, the increase in operating expenses was 5%. These increases related to employee, data, software and communications costs and cloud infrastructure. The average number of employees was 304 (2017: 303).

Profitability

Adjusted EBITDA increased to £4.34 million (2017: £3.53 million). Gross profit margin was 58% (2017: 59%) as shown in note 5. The adjusted EBITDA margin was 15.9% (2017: 15.7%). Excluding the impact of IFRS 15 (which brings forward revenue into H1), the adjusted EBITDA margin would have been 14.2% (2017: 12.9%).

Finance income and expense

Net finance expense was £1.03 million (2017: £0.50 million), as a result of increased average net debt associated with the financing of acquisitions.

Profit before tax

The adjusted operating profit increased year on year to £3.48 million (2017: £2.69 million). The profit before taxation was £0.90 million (2017: loss £1.54 million). H1 2017 was impacted by one off acquisition costs as shown in note 4.

Taxation

The tax charge was £0.18 million (2017: credit of £0.10 million). The overall effective tax rate on the profit is 20% (2017: 6% credit on loss).

Earnings/losses per share

Adjusted earnings per share was 3.4p (2017: 2.7p). Actual basic earnings per share was 1.1p and diluted earnings per share was 1.0p (2017: losses per share basic and diluted 2.4p).

Interim dividend

An interim dividend of 0.85 pence per ordinary share (2017: 0.85 pence) will be paid on 7 November 2018 to shareholders on the register at the close of business on 5 October 2018 (ex-div date will be 4 October 2018).

Balance sheet
The Group's net assets at the period end were £29.57 million (December 2017: £30.62 million). The primary movements in the six-month period were the decrease in intangible assets, mainly relating to the amortisation of acquired intangibles from acquisitions, and the increase in borrowings related to acquisition payments. Deferred revenue, which is a non-cash liability, was £16.62 million (December 2017: £17.89 million).

Cash flow and financing
StatPro continues to be cash generative with cash generated from operations of £6.13 million (2017: £7.48 million). The free cash flow was lower at £2.19 million (2017: £3.52 million) having been impacted by much lower working capital benefit of £0.22 million (2017: £3.30 million) and higher interest. The Group ended the period with net debt of £23.17 million (December 2017: £20.22 million). The increase in net debt arose primarily because of further payments on the Infovest and Investor Analytics acquisitions, using the Group's debt facilities.

Financing facility
As part of the acquisition of the non-controlling interest in Infovest completed in March 2018, the committed element of the multi-currency financing facilities with Wells Fargo was increased. The key features of the facilities, amounting to £39.8 million at 30 June 2018, are:

- Committed to April 2022
- £10 million committed revolving credit facility
- Committed term and deferred drawdown loans totalling £25.8 million
- £4.0 million uncommitted additional facility available

The primary financial covenants are linked to recurring revenue, adjusted EBITDA and available liquidity. The financing costs are 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.

Acquisition
In March 2018, StatPro South Africa (Pty) Ltd. purchased a further 27.3% shares in Infovest for ZAR 30.4 million (£1.9 million) taking the total Group interest in Infovest to 100%.

Post-balance sheet event
On 2 July 2018, StatPro completed the acquisition of the regulatory risk service from ODDO BHF. An initial payment of €1.0 million (£0.9 million) was made in early July 2018, out of a total cash consideration of approximately €1.42 million (fair value of £1.25 million), with the remainder being payable on 2 January 2019. Further details on these acquisitions are provided in note 9.

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 increased to £4.17 million (2017: £3.62 million), equating to 15% of Group revenue (2017: 16%). Capitalised development costs were £2.53 million (2017: £2.62 million) and amortisation on internal development was £1.80 million (2017: £1.94 million). Capital expenditure on property, plant and equipment was £1.25 million (2017: £1.46 million), of which £0.89 million (2017: £1.09 million) was financed under finance lease arrangements.

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 26 to 29 of the StatPro 2017 Annual Report.

Group Income Statement
For the six months ended 30 June 2018

	Notes	**Unaudited**	Unaudited	Audited
		Six months to 30 June	Six months to 30 June	Year to 31 December
		2018	2017	2017
		£'000s	£'000s	£'000s
			Restated	Restated
Revenue *	3	**27,237**	22,408	49,260
Operating expenses before amortisation of intangible assets and other adjustments *		**(21,897)**	(17,830)	(40,116)
Amortisation of acquired intangible assets		**(1,518)**	(881)	(2,243)
Amortisation of other intangible assets		**(1,893)**	(2,034)	(4,853)
Fair value movement on non-controlling interest put option	4	**–**	(202)	(404)
Acquisition related and restructuring costs	4	**-**	(2,507)	(3,530)
Operating expenses		**(25,308)**	(23,454)	(51,146)
Operating profit/(loss)		**1,929**	(1,046)	(1,886)
Finance income		**24**	33	61
Finance expense		**(1,054)**	(529)	(1,646)
Net finance expense		**(1,030)**	(496)	(1,585)
Profit/(loss) before taxation	5	**899**	(1,542)	(3,471)
Taxation *		**(180)**	95	1,173
Profit/(loss) for the period		**719**	(1,447)	(2,298)
Profit attributable to non-controlling interests		**21**	98	131
Profit/(loss) attributable to equity shareholders		**698**	(1,545)	(2,429)
		719	(1,447)	(2,298)
Earnings/(loss) per share – basic	2	**1.1p**	(2.4)p	(3.7)p
– diluted	2	**1.0p**	(2.4)p	(3.7)p

* Prior year figures have been restated (see notes 1 and 3) in relation to the implementation of IFRS 15.

Group Statement of Comprehensive Income
For the six months ended 30 June 2018

	Unaudited	Unaudited	Audited
	Six months to 30 June	Six months to 30 June	Year to 31 December
	2018	2017	2017
		Restated	Restated
	£'000s	£'000s	£'000s
Profit/(loss) for the period *	**719**	(1,447)	(2,298)
Other comprehensive income to be reclassified to the income statement:			
Net exchange differences	**(877)**	(333)	(431)
Total comprehensive loss for the period	**(158)**	(1,780)	(2,729)
Attributable to:			
Non-controlling interests	**21**	109	113
Equity shareholders *	**(179)**	(1,889)	(2,842)
Total comprehensive loss for the period	**(158)**	(1,780)	(2,729)

* Prior year figures have been restated (see notes 1 and 3) in relation to the implementation of IFRS 15.

Group Balance Sheet
At 30 June 2018

	Notes	**Unaudited**	Unaudited	Audited
		At 30 June	At 30 June	At 31 December
		2018	2017	2017
		£'000s	£'000s	£'000s
Non-current assets			Restated	Restated
Goodwill	10	**43,708**	44,447	44,404
Other intangible assets	10	**19,706**	21,266	20,389
Property, plant and equipment		**3,754**	3,457	3,303
Other receivables		**128**	135	86
Deferred tax assets		**2,839**	2,541	2,682
		70,135	71,846	70,864
Current assets				
Trade and other receivables *		**12,982**	8,319	15,242
Financial instruments - other		**-**	10	39
Current tax assets *		**1,442**	1,346	1,320
Cash and cash equivalents		**3,239**	3,354	4,311
		17,663	13,029	20,912
Liabilities				
Current liabilities				
Financial liabilities - borrowings		**(5,828)**	(4,212)	(7,451)
Financial instruments - non-controlling interest put option	9	**-**	(1,615)	(1,816)
Financial instruments - other		**(85)**	(9)	(67)
Trade and other payables		**(10,085)**	(6,296)	(10,435)
Current tax liabilities		**(461)**	(602)	(273)
Deferred income *		**(16,582)**	(15,826)	(17,825)
Provisions	11	**(176)**	(1,284)	(304)
		(33,217)	(29,844)	(38,171)
Net current liabilities		**(15,554)**	(16,815)	(17,259)
Non-current liabilities				
Financial liabilities - borrowings		**(20,576)**	(18,062)	(17,076)
Other creditors	11	**(2,140)**	(3,443)	(3,655)
Deferred tax liabilities *		**(2,256)**	(2,437)	(2,192)
Deferred income		**(40)**	(40)	(66)
		(25,012)	(23,982)	(22,989)
Net assets		**29,569**	31,049	30,616
Shareholders' equity				
Share capital	12	**688**	678	687
Share premium		**24,600**	23,537	24,454
Shares to be issued		**63**	63	63
Treasury shares	12	**(2,298)**	(2,328)	(2,328)
Other reserves		**7,963**	6,980	6,911
Retained earnings *		**(1,447)**	1,981	687
Total shareholders' equity		**29,569**	30,911	30,474
Non controlling interests		**-**	138	142
Total equity		**29,569**	31,049	30,616

* Prior year figures have been restated (see notes 1 and 3) in relation to the implementation of IFRS 15.

Group Statement of Cash Flows
For the six months ended 30 June 2018

	Notes	**Unaudited Six months to 30 June 2018 £'000s**	Unaudited Six months to 30 June 2017 £'000s	Audited Year to 31 December 2017 £'000s
Operating activities				
Cash generated from operations	6	**6,127**	7,479	10,676
Finance income		**24**	33	61
Finance costs		**(667)**	(328)	(1,288)
Tax received		**262**	173	1,022
Tax paid		**(508)**	(753)	(1,166)
Net cash flow from operating activities		**5,238**	6,604	9,305
Investing activities				
Acquisition of subsidiaries and other businesses (net of cash acquired)	9	**(2,527)**	(10,269)	(10,269)
Investment in intangible assets		**(2,690)**	(2,716)	(6,028)
Purchase of property, plant and equipment		**(358)**	(365)	(1,185)
Net cash flow used in investing activities		**(5,575)**	(13,350)	(17,482)
Financing activities				
Net proceeds from bank loan	7	**1,167**	7,281	9,966
Net (payments to)/proceeds from finance leases	7	**(498)**	(280)	(840)
Proceeds from issue of ordinary shares		**147**	-	926
Dividends paid to non-controlling interests		**(76)**	(135)	(135)
Dividends paid to shareholders		**(1,346)**	(1,327)	(1,877)
Net cash flow (used in)/from financing activities		**(606)**	5,539	8,040
Net decrease in cash and cash equivalents		**(943)**	(1,207)	(137)
Cash and cash equivalents at start of period		**4,311**	4,356	4,356
Effect of exchange rate movements		**(129)**	205	92
Cash and cash equivalents at end of period		**3,239**	3,354	4,311

Group Statement of Changes in Shareholders' Equity
For the six months ended 30 June 2018

Unaudited	Share capital £'000s	Share premium £'000s	Shares to be issued £'000s	Treasury shares £'000s	Other reserves * £'000s	Retained earnings £'000s	Total shareholders' equity £'000s	Non-controlling interest £'000	Total equity £'000s
At 1 January 2017	678	23,537	63	(2,328)	7,324	3,018	32,292	294	32,586
Adjustment related to IFRS 15 (note 3)	-	-	-	-	-	1,549	1,549	-	1,549
At 1 January 2017 as restated	678	23,537	63	(2,328)	7,324	4,567	33,841	294	34,135
Profit for the period	-	-	-	-	-	(1,545)	(1,545)	98	(1,447)
Other comprehensive income	-	-	-	-	(344)	-	(344)	11	(333)
Total comprehensive income	-	-	-	-	(344)	(1,545)	(1,889)	109	(1,780)
Transactions with owners:									
Non-controlling interests	-	-	-	-	-	130	130	(130)	-
Share based payment transactions	-	-	-	-	-	144	144	-	144
Tax relating to share option scheme	-	-	-	-	-	12	12	-	12
Dividends	-	-	-	-	-	(1,327)	(1,327)	(135)	(1,462)
At 30 June 2017	**678**	**23,537**	**63**	**(2,328)**	**6,980**	**1,981**	**30,911**	**138**	**31,049**

Unaudited	Share capital £'000s	Share premium £'000s	Shares to be issued £'000s	Treasury shares £'000s	Other reserves * £'000s	Retained earnings £'000s	Total shareholders' equity £'000s	Non-controlling interest £'000	Total equity £'000s
At 1 January 2018	687	24,454	63	(2,328)	6,911	687	30,474	142	30,616
Profit for the period	-	-	-	-	-	698	698	21	719
Other comprehensive income	-	-	-	-	(877)	-	(877)	-	(877)
Total comprehensive income	-	-	-	-	(877)	698	(179)	21	(158)
Transactions with owners:									
Acquisition of non-controlling interests	-	-	-	-	1,929	(1,842)	87	(87)	-
Share based payment transactions	-	-	-	-	-	353	353	-	353
Tax relating to share option scheme	-	-	-	-	-	33	33	-	33
Treasury shares issued on exercise of share awards	-	-	-	30	-	(30)	-	-	-
Shares issued	1	146	-	-	-	-	147	-	147
Dividends	-	-	-	-	-	(1,346)	(1,346)	(76)	(1,422)
At 30 June 2018	**688**	**24,600**	**63**	**(2,298)**	**7,963**	**(1,447)**	**29,569**	**-**	**29,569**

* Other reserves includes a merger reserve of £2,369,000 (2017: £2,369,000), a translation reserve surplus of £5,594,000 (2017: £6,540,000) and a reserve relating to the put option held by non-controlling interests of a debit balance of nil (2017: £1,929,000). 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.

Group Statement of Changes in Shareholders' Equity
For the six months ended 30 June 2018 (continued)

Unaudited	Share capital £'000s	Share premium £'000s	Shares to be issued £'000s	Treasury shares £'000s	Other reserves * £'000s	Retained earnings £'000s	Total shareholders' equity £'000s	Non-controlling interest £'000	Total equity £'000s
At 1 January 2017	678	23,537	63	(2,328)	7,324	3,018	32,292	294	32,586
Adjustment related to IFRS 15 (note 3)	-	-	-	-	-	1,549	1,549	-	1,549
At 1 January 2017 as restated	678	23,537	63	(2,328)	7,324	4,567	33,841	294	34,135
Loss for the year	-	-	-	-	-	(2,429)	(2,429)	131	(2,298)
Other comprehensive income	-	-	-	-	(413)	-	(413)	(18)	(431)
Total comprehensive income	-	-	-	-	(413)	(2,429)	(2,842)	113	(2,729)
Transactions with owners:									
Acquisition of non-controlling interests	-	-	-	-	-	130	130	(130)	-
Share based payment transactions	-	-	-	-	-	251	251	-	251
Tax relating to share option scheme	-	-	-	-	-	45	45	-	45
Shares issued	9	917	-	-	-	-	926	-	926
Dividends	-	-	-	-	-	(1,877)	(1,877)	(135)	(2,012)
At 31 December 2017	**687**	**24,454**	**63**	**(2,328)**	**6,911**	**687**	**30,474**	**142**	**30,616**

Notes to the interim financial information
For the six months ended 30 June 2018

1. Principal accounting policies

This interim report was approved by the Board of directors on 31 July 2018. 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 2017, amended as explained below.

There were no acquisitions in H1 2018.

New and amended accounting standards and interpretations

The following new or amended IFRS and IFRIC interpretations effective as of 1 January 2018, which impact this interim report, are as follows:

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

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. Management has not yet fully assessed the impact of this new standard.

- 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 2017 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/losses per share

Basic earnings/(loss) per share has been calculated based on the profit after taxation of £0.70 million (2017: loss of £1.55 million) and the weighted average number of shares of 65.63 million (2017: 64.72 million). The basic earnings per share were 1.1p and diluted earnings per share were 1.0p (2017: basic and diluted loss of 2.4p).

	Earnings Six months to 30 June 2018 Unaudited £'000s	Weighted average number of shares Six months to 30 June 2018 Unaudited '000s	Earnings per share Six months to 30 June 2018 Unaudited pence	Earnings Six months to 30 June 2017 Restated £'000s	Weighted average number of shares Six months to 30 June 2017 '000s	Earnings per share Six months to 30 June 2017 Restated pence
Earnings/(loss) per share – basic	**698**	**65,626**	**1.1**	(1,545)	64,715	(2.4)
Potentially dilutive shares	**-**	**3,452**	**(0.1)**	-	-	-
Earnings/(loss) per share - diluted	**698**	**69,078**	**1.0**	(1,545)	64,715	(2.4)

Adjusted earnings per share are shown in the table below. The diluted adjusted earnings per share are based on potentially dilutive shares outstanding of 3.45 million (2017: 1.80 million).

	Earnings Six months to 30 June 2018 Unaudited £'000s	Weighted average number of shares Six months to 30 June 2018 Unaudited '000s	Earnings per share Six months to 30 June 2018 Unaudited pence	Earnings Six months to 30 June 2017 Restated £'000s	Weighted average number of shares Six months to 30 June 2017 '000s	Earnings per share Six months to 30 June 2017 Restated pence
Earnings/(loss) per share - basic	**698**	**65,626**	**1.1**	(1,545)	64,715	(2.4)
Add back: amortisation of acquired intangibles	**1,518**	**-**	**2.3**	881	-	1.4
Add back: non-controlling interest put option	**-**	**-**	**-**	202	-	0.3
Add back: acquisition-related and restructuring costs	**-**	**-**	**-**	2,507	-	3.9
Effect of tax on adjusting items	**-**	**-**	**-**	(451)	-	(0.7)
Add back: share-based payments	**37**	**-**	**(0.0)**	144	-	0.2
Adjusted earnings per share	**2,253**	**65,626**	**3.4**	1,738	64,715	2.7
Potentially dilutive shares	**-**	**3,452**	**(0.1)**	-	1,799	(0.1)
Adjusted earnings per share - diluted	**2,253**	**69,078**	**3.3**	1,738	66,514	2.6

3. Revenue analysis

Revenue by type of service was as follows:

Revenue	**Six months to 30 June 2018 £ million**	Six months to 30 June 2017 £ million Restated	Change %
Software licences - StatPro Revolution (including Delta)	**14.34**	8.80	63%
Software licences - StatPro Seven	**9.93**	10.55	(6%)
Software licences - total	**24.27**	19.35	25%
Data fees	**2.00**	2.03	(1%)
Total recurring revenue	**26.27**	21.38	23%
Professional services and other revenue	**0.97**	1.03	(6%)
Total revenue	**27.24**	22.41	22%

A key performance indicator for the Group is the Annualised Recurring Revenue ("ARR") from client contracts. The movement in Annualised Recurring Revenue ("ARR") in the 12-month period to June 2018 was as follows:

Annualised Recurring Revenue	**June 2018 £ million**	June 2017 £ million
At 30 June 2017	**53.19**	36.17
Net impact of exchange rates	**(0.77)**	1.51
At 30 June 2017 (at 30 June 2018 rates)	**52.42**	37.68
ARR added from acquisition	**-**	14.53
New contracted revenue	**6.11**	5.47
Cancellations/reductions	**(6.28)**	(4.49)
Net (decrease)/increase	**(0.17)**	0.98
At 30 June 2018	**52.25**	53.19
ARR added from acquisition of ODDO BHF contracts (July 2018)	**1.49**	-
At 30 June 2018 (including contracts acquired on pro-forma basis)	**53.74**	53.19

The movement in Annualised Recurring Revenue ("ARR") in the 12-month period to June 2018 by service was as follows:

	Revolution (cloud) £ million	Seven (software) £ million	Data £ million	Total £ million
At 30 June 2017	29.36	19.68	4.15	53.19
Net impact of exchange rates	(0.32)	(0.30)	(0.15)	(0.77)
At 30 June 2017 (at 30 June 2018 rates)	**29.04**	**19.38**	**4.00**	**52.42**
New contracted revenue/increases	3.16	1.27	0.21	4.64
Conversions from Seven to Revolution	1.47	(1.47)	-	-
Cancellations/reductions	(3.35)	(1.42)	(0.04)	(4.81)
	1.28	**(1.62)**	**0.17**	**(0.17)**
Net increase/(decrease)	**1.28**	**(1.62)**	**0.17**	**(0.17)**
Recurring licence fees as at 30 June 2018	**30.32**	**17.76**	**4.17**	**52.25**
Change in total ARR	3%	(10%)	0%	(2%)
Change in ARR at constant currency	4%	(8%)	4%	0%
Change in ARR at constant currency (excluding impact of Delta and Investor Analytics acquisitions)	19%	(8%)	4%	2%

The Annualised Recurring Revenue profile of StatPro Revolution clients 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 2018**	**June 2018**	**June 2018**	June 2017	June 2017	June 2017
	£'000s	**Number**	**£'000s**	£'000s	Number	£'000s
<£10k	**279**	**72**	**3.9**	360	100	3.6
£10k - £50k	**3,098**	**121**	**25.6**	3,281	132	24.9
£50k-£100k	**3,723**	**50**	**74.5**	4,467	58	77.0
£100k-£200k	**10,391**	**74**	**140.4**	9,749	71	137.3
>£200k	**12,829**	**32**	**400.9**	11,385	28	406.6
Total	**30,320**	**349**	**86.9**	29,242	389	75.2

* at constant currency

Impact of IFRS 15

Revenue	**Six months to 30 June 2018 £ million IFRS 15**	Six months to 30 June 2017 £ million As previously reported	Six months to 30 June 2017 £ million Adjustment for IFRS 15	Six months to 30 June 2017 £ million Restated	Year to 31 December 2017 £ million As previously reported	Year to 31 December 2017 £ million Adjustment for IFRS 15	Year to 31 December 2017 £ million Restated
Software licences - StatPro Revolution (including Delta)	**14.34**	8.80	-	8.80	23.47	-	23.47
Software licences - StatPro Seven	**9.93**	9.76	0.79	10.55	19.78	(0.08)	19.70
Software licences - total	**24.27**	18.56	0.79	19.35	43.25	(0.08)	43.17
Data fees	**2.00**	2.03	-	2.03	4.07	-	4.07
Total recurring revenue	**26.27**	20.59	0.79	21.38	47.32	(0.08)	47.24
Professional services and other revenue	**0.97**	1.03	-	1.03	2.02	-	2.02
Total revenue	**27.24**	21.62	0.79	22.41	49.34	(0.08)	49.26

With effect from 1 January 2018, the Group has implemented the following accounting standard:

- **IFRS 15 Revenue from Contracts with Customers**

The main areas considered by the directors in performing this assessment are outlined below.

Accounting for licences

IFRS 15 contains new guidance on accounting for licences, which requires an entity to consider:

a) whether the licence is distinct from other goods and services; and
b) whether the licence provides a 'right to use' software in its current form or a 'right to access' content that changes over time.

Particular consideration was given to accounting for some legacy term licences for a subset of StatPro Seven software products that are not hosted, i.e. they are installed on-premise. The total annualised recurring contract value of these products is approximately £6.3 million and these are no longer sold to new customers as an on-premise solution. These licences are considered distinct from support and maintenance services included in the contract and provide a 'right to use' software that does not significantly change over the term of the contract.

Under the previous accounting policy, the Group recognised revenue for the combined licence and support and maintenance fee on a straight-line basis over the term of the contract. Under IFRS 15, the Group is required to recognise revenue in respect of the licence upfront on delivery based on its standalone selling price and recognise revenue in respect of support and maintenance on a straight-line basis over the term of the contract.

The Directors have considered the contractual arrangements and determined that they contain a series of annual performance obligations as the Group is required to deliver a licence key annually. Therefore, whilst the monthly phasing of revenue differs under IFRS 15, and therefore results in an increase of around 16% of revenue on H1 2018, an impact of around 1% for the year as a whole is expected, unless contracts are not renewed. The impact of this on the opening balance sheet at 1 January 2017 was to decrease deferred income by £1.92 million and to increase brought forward reserves by £1.92 million. The impact on 2018 EBITDA was an increase of £0.57 million. The Group continues to transition to cloud-based services in line with its strategy.

The Directors consider that for all other revenue streams, the customer cannot benefit from the licence without a related service provided by the Group and consequently, these are not considered distinct from other services included in the contract. Therefore, there has been no change to revenue recognition for other revenue streams.

Direct costs of obtaining a contract

IFRS 15 requires that direct costs of obtaining a contract are capitalised and amortised over the period these are expected to be recovered.

The main direct cost of obtaining a contract incurred by the Group is sales commissions. Under the Group's previous accounting policy, these were expensed immediately as incurred. Under IFRS 15, these are capitalised and written off over the life of the customer contract. The impact of this on the opening balance sheet was to increase brought forward reserves by approximately £0.21 million. The impact on 2018 EBITDA was a decrease of £0.01 million.

The profile of cash receipts or payments is not affected by this standard.

The impact on the balance sheet including the opening reserves as at 1 January 2017 was as follows:

	Trade and other debtors £'000s	Deferred income £'000s	Deferred tax liability £'000s	**Reserves £'000s**
Balances as at 1 January 2017 - as previously reported	12,051	(17,601)	(1,416)	**3,018**
Impact of earlier revenue recognition		1,917		**1,917**
Impact of commission charges	205			**205**
Impact of deferred tax			(573)	**(573)**
	205	1, 917	(573)	**1,549**
Balances as at 1 January 2017 - as restated	12,256	(15,684)	(1,989)	**4,567**

The tax profit and loss impact of the restatement was £0.17 million additional tax charge for H1 2017 and £0.03 million additional tax credit for FY 2017.

4. Adjusting items

There were no one-off adjusting items in H1 2018. One-off adjusting items amounting to a total of £2.71 million were incurred in H1 2017. These included: £2.51 million related to the acquisition of Delta and associated restructuring charges in the core business. The fair value movement on the non-controlling interest put option of £0.20 million relates to Infovest.

	Six months to June 2018 £'000s Total	Six months to June 2017 £'000s Total
Fair value movement on non-controlling interest put option	**-**	202
Acquisition transaction, redundancy and other integration costs	**-**	2,507
Total adjusting items	**-**	2,709

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
	2018	2017	2017
		Restated	Restated
	£'000s	£'000s	£'000s
Profit/(loss) before taxation	**899**	(1,542)	(3,471)
Add back: amortisation on acquired intangible assets	**1,518**	881	2,243
Add back: fair value movement on non-controlling interest put option	**-**	202	404
Add back: acquisition-related and restructuring costs	**-**	2,507	3,530
Add back: share-based payments	**37**	144	626
Adjusted profit before tax	**2,454**	2,192	3,332

b) Adjusted operating profit

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	Unaudited	Unaudited	Audited
	Six months to 30 June	Six months to 30 June	Year to 31 December
	2018	2017	2017
		Restated	Restated
	£'000s	£'000s	£'000s
Operating profit/(loss)	**1,929**	(1,046)	(1,886)
Add back: amortisation on acquired intangible assets	**1,518**	881	2,243
Add back: fair value movement on non-controlling interest put option	**-**	202	404
Add back: acquisition-related and restructuring costs	**-**	2,507	3,530
Add back: share-based payments	**37**	144	626
Adjusted operating profit	**3,484**	2,688	4,917

c) Adjusted EBITDA

	Unaudited	Unaudited	Audited
	Six months to 30 June	Six months to 30 June	Year to 31 December
	2018	2017	2017
		Restated	Restated
	£'000s	£'000s	£'000s
Operating profit/(loss)	**1,929**	(1,046)	(1,886)
Add back: depreciation of property, plant and equipment	**754**	743	1,504
Add back: amortisation on purchased intangible assets	**97**	95	417
Add back: amortisation on acquired intangible assets	**1,518**	881	2,243
Add back: fair value movement on non-controlling interest put option	**-**	202	404
Add back: acquisition-related and restructuring costs	**-**	2,507	3,530
Add back: share-based payments	**37**	144	626
Adjusted EBITDA	**4,335**	3,526	6,838
Adjusted EBITDA margin	**15.9%**	15.7%	13.9%

d) Gross profit margin analysis

Gross profit margin analysis helps us assess the profitability 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	Audited
	Six months to 30 June	Six months to 30 June	Year to 31 December
	2018	2017	2017
		Restated	Restated
	%	%	%
Revenue	**100.0%**	100.0%	100.0%
Cost of services	**(42.5%)**	(40.6%)	(41.4%)
Gross profit margin	**57.5%**	59.4%	58.6%
R&D costs	**(5.9%)**	(5.2%)	(5.4%)
Sales & Marketing costs	**(9.1%)**	(10.8%)	(11.0%)
General & Administration costs	**(26.7%)**	(28.4%)	(29.6%)
	(41.7%)	(44.4%)	(46.0%)
Share based payments	**0.1%**	0.7%	1.3%
Adjusted EBITDA	**15.9%**	15.7%	13.9%

Definition of cost category for gross margin analysis:
Cost of services includes Client Service 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.

	Six months to 30 June	Six months to 30 June	Year to 31 December
General & Administration costs	**2018**	2017	2017
		Restated	Restated
	%	**%**	**%**
Finance, HR & Administration	**(2.2%)**	(1.9%)	(2.6%)
IT & Internal projects	**(5.3%)**	(4.9%)	(4.8%)
Executive management	**(2.0%)**	(2.3%)	(1.8%)
Employee-related costs	**(7.3%)**	(6.4%)	(8.6%)
	(16.8%)	(15.5%)	(17.8%)
Property & communications	**(6.8%)**	(8.8%)	(7.9%)
Professional fees, insurance and other	**(3.1%)**	(4.1%)	(3.9%)
	(9.9%)	(12.9%)	(11.8%)
Total General & Administration costs	**(26.7%)**	(28.4%)	(29.6%)

Free cash flow

	Unaudited	Unaudited	Audited
	Six months to 30 June	Six months to 30 June	Year to 31 December
	2018	2017	2017
	£'000s	£'000s	£'000s
Cash generated from operations before acquisition and restructuring costs	**6,351**	8,762	13,765
Net interest paid	**(643)**	(295)	(1,227)
Net tax paid	**(246)**	(580)	(144)
Purchase of property, plant and equipment	**(358)**	(365)	(1,185)
Investment in intangible assets	**(2,690)**	(2,716)	(6,028)
Free cash flow (before adjusting items)	**2,414**	4,806	5,181
Acquisition-related and restructuring costs	**(224)**	(1,283)	(3,089)
Free cash flow	**2,190**	3,523	2,092

Property, plant and equipment amounting to £0.89 million acquired under finance leases is excluded from the cash flow on PPE.

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

	Unaudited	Unaudited	Audited
	Six months to 30 June	Six months to 30 June	Year to 31 December
	2018	2017	2017
		Restated	Restated
	£'000s	£'000s	£'000s
Profit/(loss) before taxation	**899**	(1,542)	(3,471)
Net finance expense	**1,030**	496	1,585
Operating profit/(loss)	**1,929**	(1,046)	(1,886)
Fair value movement on non-controlling interest put option	**-**	202	404
Acquisition-related, restructuring costs and negative goodwill	**-**	2,507	3,530
Depreciation of property, plant and equipment	**754**	743	1,504
Amortisation of intangible assets	**3,411**	2,915	7,096
Decrease/(increase) in receivables	**2,091**	3,501	(888)
(Decrease)/increase in payables and provisions	**(830)**	(433)	2,971
(Decrease)/increase in deferred income	**(1,041)**	229	408
Share-based payments	**37**	144	626
Net cash inflow from operating activities before acquisition and restructuring costs	**6,351**	8,762	13,765
Acquisition-related and restructuring costs	**(224)**	(1,283)	(3,089)
Net cash inflow from operating activities	**6,127**	7,479	10,676

7. Reconciliation of net cash flow to movement in net debt

	At 1 January 2018 £'000s	Cash flow £'000s	Non-cash changes £'000s	Exchange differences £'000s	At 30 June 2018 £'000s
Cash and cash equivalents (per balance sheet)	4,311	(943)	-	(129)	3,239
Overdrafts	-	-	-	-	-
Cash and cash equivalents (per statement of cash flows)	4,311	(943)	-	(129)	3,239
Finance leases	(1,456)	498	(892)	(3)	(1,853)
Bank, other loans and derivatives	(23,071)	(1,167)	(132)	(181)	(24,551)
Net debt	(20,216)	(1,612)	(1,024)	(313)	(23,165)

	At 1 January 2017 £'000s	Cash flow £'000s	Non-cash changes £'000s	Exchange differences £'000s	At 30 June 2017 £'000s
Cash and cash equivalents (per balance sheet)	4,356	(1,207)	-	205	3,354
Overdrafts	-	-	-	-	-
Cash and cash equivalents (per statement of cash flows)	4,356	(1,207)	-	205	3,354
Finance leases	(1,228)	280	(1,073)	3	(2,018)
Bank, other loans and derivatives	(13,192)	(7,281)	(94)	311	(20,256)
Net debt	(10,064)	(8,208)	(1,167)	519	(18,920)

8. Dividend

An interim dividend for 2018 of 0.85 pence per ordinary share (2017: 0.85 pence) will be paid on 7 November 2018 to shareholders on the register on 5 October 2018. A final dividend for 2017 of 2.05 pence per ordinary share was paid on 30 May 2018.

9. Acquisitions

Acquisition payment for Investor Analytics

In January 2018, StatPro Inc. made the final payment of US$ 1.0 million (£0.7 million) in relation to the acquisition in 2016 of Investor Analytics.

Acquisition of further shares in Infovest

In March 2018, StatPro South Africa (Pty) Ltd. purchased a further 27.3% shares in Infovest for ZAR 30.4 million (£1.9 million) taking the total Group interest in Infovest to 100%.

Acquisition of ODDO BHF's regulatory risk service

On 2 July 2018, StatPro completed the First Closing of the acquisition from ODDO BHF of its regulatory risk service. The acquisition adds a full, managed service for regulatory risk reporting capability, which will use StatPro's existing Revolution platform, thus expanding the service delivery options for StatPro clients. It also adds ten new clients to StatPro's client base in Germany and Luxembourg. The service will be marketed by StatPro throughout the EU. Other highlights are:

- ODDO BHF risk services has annualised recurring revenues of approximately €1.7 million
- Expected to enhance Group adjusted eps in 2019
- Enhances StatPro's solutions with managed regulatory risk services offering

StatPro will take on the employees of ODDO BHF risk services in Frankfurt, where they will be integrated with StatPro's existing operations.

Fair value of assets acquired and liabilities acquired	**Provisionally estimated fair value**
	£'000
Trade debtors	372
Intangible asset - Brand and client contract	998
	1,370
Deferred income	(372)
	(372)
Total identifiable net assets at fair value	998
Goodwill arising on acquisition	247
Fair value of purchase consideration	1,245

10. Goodwill and other intangible assets

Other intangible assets decreased, mainly due to the amortisation of acquired intangible assets. Goodwill movements resulted from revaluations due to currency movements.

11. Other creditors and provisions

Other creditors greater than one year were £2.14 million, mainly relating to the deferred consideration due on Delta.

Provisions of £0.18 million at 30 June 2018 (December 2017: £0.30 million) relates to residual deferred contingent consideration and provisions for redundancies and onerous contracts. On 25 July 2017, former shareholders of SiSoft Sarl lodged an appeal against the French Commercial Court's decision on the valuation of the shares purchased by StatPro. The Court is expected review the appeal in Q4 2018. Management believe there is no merit in the appeal as the valuation was backed by an expert's report and no further amount has been provided.

	June	June	**June**	June
	2018	2018	**2018**	2017
Provisions - Group	Contingent consideration	Redundancies and onerous contracts	**Total**	Total
	£'000s	£'000s	**£'000s**	£'000s
At 1 January	41	263	**304**	680
Utilised in the period	-	(126)	**(126)**	(1,899)
Arising in the period	-	-	**-**	2,507
Exchange differences	3	(5)	**(2)**	(4)
At 30 June	44	132	**176**	1,284

12. Share capital and treasury shares

139,358 shares were issued during the period (2017: nil) and 40,000 shares were transferred from treasury to satisfy share awards. At 30 June 2018, there were 68,833,650 shares (2017: 67,813,650 shares) in issue including 3,058,713 (2017: 3,098,713) held in treasury (65,774,937 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 2018, 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 2018 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
31 July 2018