Ideagen PLC - IDEA Final Results
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Ideagen PLC
("Ideagen" "the Company" or "the Group")

Unaudited Preliminary Results for the Year Ended 30 April 2016

Ideagen PLC (AIM: IDEA), a leading supplier of Information Management software to highly regulated industries, announces its unaudited preliminary results for the year ended 30 April 2016.

Financial Highlights

- Revenue increased 52% to £21.9 million (FY2015: £14.4 million)
  - Underlying organic growth of 10% (FY2015: 5.3%)
  - Recurring revenues of £11.5 million at year end (FY2015: £10.6 million), covering 88% of operating costs (FY2015: 84%)
- Adjusted diluted EPS** increased 26% to 2.66 pence (FY2015: 2.11 pence)
- Adjusted EBITDA* increased 57% to £6.3 million (FY2015: £4.0 million)
- Adjusted PBT** increased 58% to £5.7 million (FY2015: £3.6 million)
- Cash generated by operations of £4.9 million (FY2015: £2.2 million)
- Net cash of £6.3 million (FY2015: £5.3 million)
- Proposed final dividend of 0.122 pence per share
  - Making a total dividend of 0.183 pence per share for the year (FY2015: 0.165 pence per share) in line with our policy of growing annual dividends by a minimum of 10%

Operational Highlights

- Strong growth in SaaS business driven by investment in Enlighten, Ideagen's cloud based Governance, Risk and Compliance (GRC) platform
  - Landmark contract awarded for Enlighten with the Railway Safety and Standards Board worth £4.9 million over 5 years
  - Additional 15 SaaS deals, including Providence Financial, WAMOS Air, HNZ Global and Air Greenland
- Over 100 new on-premise customer wins including Schiphol Airport, DHL, Cobalt Air, Meggitt and South West Yorkshire NHS Trust
- Significant contract extensions and expanded engagements within existing customer base, including PWC, Haeco, Babcock, Bristow Helicopters, BTG and Dartford and Gravesham NHS Trust

- Continued high levels of customer retention with support and maintenance contract renewal rate of 96% (FY2015: 96%)
- Ongoing product innovation and investment across all products

*Before share based payments and exceptional items
**Before share based payments, amortisation of acquisition intangibles and exceptional items

David Hornsby, CEO of Ideagen, commented: "Ideagen has enjoyed another year of strong growth. Having expanded the business considerably with seven acquisitions completed in the previous four years, adding significant product capabilities and expertise to the Group, the year's focus was on driving forward our enlarged operations and executing the organic growth strategy.

"The market for GRC management solutions remains fragmented and the drivers are long term and highly strategic. Trading since the year end has remained robust. Whilst we remain alert to prevailing economic and political conditions we have a strong presence in a variety of different markets across the globe, which, together with the high levels of recurring revenues and repeat business derived from our 2,200 customer base, provides me with confidence in the future prospects for the Group."

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About Ideagen plc
Ideagen is a UK company quoted on the London Stock Exchange AIM market (Ticker: IDEA.L). Ideagen is a supplier of Information Management software with operations in the UK, the United States and the Middle East. The Company specialises in eGRC (Enterprise Governance, Risk and Compliance) and Healthcare solutions for organisations operating within highly regulated industries. With an excellent portfolio of software products, Ideagen is able to provide complete content lifecycle solutions that enable organisations to meet their Regulatory and Quality Compliance standards, helping them to reduce costs and improve efficiency.

The Group has a customer base of over 2,200 organisations using the Ideagen suite of products, including many blue chip names such as BAE Systems, Emirates, Shell and the European Central Bank as well as 150 hospitals in the UK and US.

CHAIRMAN'S STATEMENT

We are pleased to report on another solid performance for the year to 30 April 2016, representing our 7th consecutive year of revenue and EBITDA growth. The Group delivered strong organic revenue growth of 10%, combined with a full year contribution from Gael which was acquired in January 2015.

A key financial metric for the Group continues to be adjusted EPS and we are pleased to report an increase in adjusted diluted EPS of 26% to 2.66 pence for the year (FY2015: 2.11 pence).

Following several successful acquisitions in prior years, Ideagen now has scale, a world class customer base, an outstanding product set and a proven and effective management team. This year's focus has been on driving forward our expanded operations and executing the strategy through stronger organic growth.

We have successfully added new customers to the Group across all of our key Governance, Risk and Compliance ("GRC") verticals, including manufacturing, life sciences, healthcare and financial services, while also maintaining a focus on product enhancement and innovation which has seen acceptance across the user base, resulting in significant revenues.

The clinical management solutions market continues to be impacted by the stasis in acute NHS Trusts, as anticipated. However our existing customers in this market continue to provide us with strong levels of recurring revenues, adding to the underlying financial strength of the business. GRC represents the large majority of Ideagen revenues at 80% and continues to be the primary engine of growth for the Group.

The long term prospects for the Group are positive. Organisations require the tools we provide to help them identify, assess and manage corporate risk while complying with international industry standards, and many are only in the early stages of adopting an enterprise-wide approach. We believe we have established the right business platform to continue to participate in this growth, with a comprehensive set of integrated solutions and offices in the UK, US and Dubai from which we can service our global customer base.

In line with our progressive dividend policy and reflecting our continued confidence in the prospects for the Group, the Board is pleased to propose a final dividend of 0.122 pence per share making a total dividend of 0.183 pence for the year (FY2015: 0.165 pence). Subject to approval at the forthcoming AGM, the final dividend will be payable on 15 November 2016 to shareholders on the register on 31 October 2016. The corresponding ex-dividend date is 28 October 2016.

The success of Ideagen is the result of our dedicated and committed employees and on behalf of the Board I should like to thank all of them for their continued hard work. The new financial year has started well and I look forward to continued growth.

Jonathan Wearing
Non-Executive Chairman

CHIEF EXECUTIVE'S REVIEW

Business Review

Trading for the period was robust, resulting in a year of solid growth for the Group. Our priorities during the year were completing the integration of Gael, our largest acquisition to date in January 2015, and the continued development of the solutions portfolio to ensure we are fully aligned to our customers' evolving needs.

Growth in the period was driven by our core business in the development and implementation of GRC solutions. New customers added in the period include HNZ Global, Amsterdam Schiphol, Providence Financial, WAMOS Air, DHL and Meggitt while significant new orders from the existing customer base were achieved with Haeco, Babcock, Boeing and PwC.

Revenue for the year increased 52% to £21.9 million (FY2015: £14.4 million), representing underlying organic growth of 10% (FY2015: 5.3%). This resulted in adjusted EBITDA for the Group of £6.3 million (FY2015: £4.0 million), an increase of 57% whilst adjusted diluted EPS increased 26% to 2.66 pence.

The Group continues to enjoy high levels of recurring revenue, which represent 53% (FY2015: 53%) of revenue and cover 88% of the operating cost base (FY2015: 84%).

Cash generation remained strong, particularly in the second half of the year, and net cash at 30 April 2016 was £6.3 million (31 October 2015: £5.4 million), after paying £1.7 million of deferred and contingent consideration, principally for the Gael acquisition, and £0.3 million in dividends in the second half. The Group continues to maintain a debt-free balance sheet.

The international landscape for GRC management is evolving and we believe we are well positioned to capitalise on the emerging trends. The industry verticals we operate in are governed by an increasing number of international standards, with the introduction of standards such as ISO 13485:2016, IATA/e-IOSA for aviation and ISO 45001 for health and safety as examples. Furthermore, we are seeing these new standards move increasingly towards a risk-based philosophy, meaning that it is no longer sufficient for risk management and compliance procedures to be implemented in department silos but instead must be embedded across all areas of an organisation in an integrated way.

We have the tools and expertise to help our customers develop and embed a holistic approach to risk management across their enterprise. This trend in turn is also driving interest in SaaS-delivered GRC systems which can easily deploy across multiple geographies and departments and scale to cope with vast, disparate workforces. While SaaS-based revenue currently represents a small proportion of overall revenue, we see this as a significant growth area for the Group and a key focus for continued product development.

Markets: GRC and Content & Clinical

The Group operates in two markets: supplying GRC solutions to highly regulated industries including Healthcare (which includes provision to the NHS), Complex Manufacturing, Finance, Transport and Life Sciences; and, supplying Content and Clinical management solutions, primarily to the NHS.

GRC represented 80% of Ideagen revenues at £17.5 million and continues to be the main engine of growth for the Group. Revenues from this market grew by 23% during the year (FY2015: 13%).

Content and Clinical represents 20% of Ideagen revenues contributing £4.4 million to Group revenue (FY2015: £5.5 million).

The Content & Clinical market continues to be impacted by stasis within acute NHS trusts resulting in a decline of 20% in revenues from this market during the year (FY2015: decline of 3%). While there are encouraging longer term opportunities, policy initiatives and decisions continue to be delayed and as a result, the Group does not see a strong growth opportunity in the near term. The Group continues to benefit from high levels of recurring revenues from our Content and Clinical customers adding to the underlying financial strength of the business and does not expect any further decline in the current financial year.

Acquisitions

The Board continues to pursue opportunities to complement organic growth through strategic and bolt on acquisitions. The Group continues to build on its extensive experience from previous successful acquisitions and will adhere to its strict criteria of acquiring complementary businesses that have strong IP and significant recurring revenues.

Product Strategy & Development

The Group has a strong commitment to continued development of its product suite. The product development strategy centres on the closer integration of the established product set to enable a modular best-of-breed GRC solution, delivered via SaaS or on-premise.

On-premise:

The focus going forward is on the closer integration and interoperability of the product suite, including the Pentana, Proquis and Q-Pulse products, across a single, modular platform. We have made good progress in the year towards creating common standards and common user interfaces in line with this strategy.

Cloud:

We continue to see growing interest in SaaS deployed GRC systems amongst our customer base which can provide the scale and flexibility required for a pan-enterprise approach to risk management. As a result, we have seen excellent early success with our Enlighten solution, delivered via Amazon Web Services. The focus in the year ahead is adding enhanced functionality to the Enlighten platform to provide smart forms capability, training and competency and third party management.

Customer Case Studies

1. *Ideagen Enlighten*

Virgin Trains

Ideagen has been working with Virgin Trains, a major UK train operating company, through the provision of its Enlighten cloud solution.

Enlighten has brought with it a number of operational business benefits such as easy access to company documentation, user friendly completion of audits and the proactive logging and reporting of accidents and incidents. The firm has over 1,400 employees utilising Enlighten to effectively streamline work management processes and enhance quality document control. The software also provides dynamic safety management investigation, monitoring and reporting while safety incidents can be captured in real time via mobile devices and processed seamlessly.

Garry Hall, Safety and Standards Manager at Virgin Trains, said: "With very little training, we have managed to implement new ways of working using the product for maximum benefit. We initially started using Enlighten as a safety management system, but it offers a lot more than just that and fits our long-term aims in terms of development."

2. *Ideagen Q-Pulse & Validation Services*

Royal Wolverhampton NHS Trust

The Royal Wolverhampton NHS Trust is one of the largest acute and community providers in the West Midlands having more than 800 beds on the New Cross site as well as a number of additional locations. As the second largest employer in Wolverhampton, the Trust employs more than 8,000 staff.

Ideagen worked with Royal Wolverhampton NHS Trust to validate its Q-Pulse software following the Trust's transition from CPA to ISO 15189 standard. Ideagen, along with its validated partner, Compliance Path, helped the Trust achieve the standard certification by providing a validation pack which consolidated information across each of the Trust's Q-Pulse modules and offered a simple guide to follow for successful validation.

Katy New, Pathology Quality Manager, said: "The final validation report for Q-Pulse contained the package itself along with the additional checks. All in all it was a fantastic, and hassle free service from Ideagen and CompliancePath and meant that we didn't need to spend months validating or contract a specialist consultant paying a premium. It saved us immensely in resources and removed what would have been a major headache for the department."

3. Ideagen Pentana

BDO

BDO, a global top-five accounting firm, worked with Ideagen to implement Ideagen Pentana for its Risk and Advisory Services department. Pentana quickly became an integral part of the department's operations.

Pentana allowed BDO to implement a consistent methodology which was compliant with international risk and auditing standards, allowing for multiple departments within the business - in this case the Risk, Compliance and Internal Audit teams - to work with a single tool, increasing effectiveness of the 'Three Lines of Defence' and 'Golden Thread'.

Nigel Burbidge, Partner and Global Head of Risk Advisory Services for BDO, added: "We use Pentana for all of our internal audits and the product is a requirement now within the risk and advisory services team here at BDO. Every internal audit we carry out uses Pentana from beginning to end as it provides a structured receptacle for our working papers. The product also enables us to manage our reviews and our files and to structure the risk based internal audit reviews that we were carrying out in a way that was relatively easy and simple for our staff to use."

Outlook

The market for GRC management solutions remains fragmented and the drivers are long term and highly strategic. Trading since the year end has remained robust. Whilst we remain alert to prevailing economic and political conditions we have a strong presence in a variety of different markets across the globe, which, together with the high levels of recurring revenues and repeat business derived from our 2,200 customer base, provides me with confidence in the future prospects for the Group.

David Hornsby
Chief Executive Officer

FINANCIAL REVIEW

Revenue for the year ended 30 April 2016 increased by 52% to £21.9 million (FY2015: £14.4 million). Within this, pro-forma organic revenue growth was 10%. This is based on a comparison with pro-forma revenue for FY2015 of £19.9 million which includes the acquisitions of Gael and EIBS for a full year.

The Group operates in two markets. Revenues from the GRC market of £17.5 million represented 80% of Ideagen revenues and this continues to be the main engine of growth for the Group. Revenues from this market grew by 23% during the year (FY2015: 13%). Content and Clinical represents 20% of Ideagen revenues contributing £4.4 million to Group revenue (FY2015: £5.5 million). Revenues from this market were impacted by the ongoing stasis in acute NHS trusts and declined by 20% during the year although this decline was only 15% if revenues from non-core hardware sales are excluded.

Recurring revenues were £11.5 million (FY2015: £10.6 million) making up 53% (FY2015: 53%) of total revenues and are equivalent to 88% (FY2015: 84%) of operating costs. Software licence revenues represented 32.8% (FY2015: 29.5%) of total revenues at £7.2 million (FY2015: £4.3 million), Maintenance and Support 45.6% (FY2015: 45.9%) at £10.0 million (FY2015: £6.6 million), Professional Services 21.1% (FY2015: 20.2%) at £4.6 million (FY2015: £2.9 million) and Hardware 0.5% (FY2015: 4.4%) at £0.1 million (FY2015: £0.6 million).

Adjusted EBITDA increased by 57% to £6.3 million (FY2015: £4.0 million) and the adjusted EBITDA margin at 28.5% remained at a similar level to FY2015 (27.9%). We have continued our programme of investment in our staff, improving customer service and the longer-term infrastructure of the business both to support future organic growth and provide a stronger platform for the integration of future acquisitions.

Amortisation of acquisition intangibles of £3.7 million (FY2015: £2.1 million) represents the majority of the total depreciation and amortisation charge of £4.3 million (FY2015: £2.5 million). Amortisation of development costs amounted to £0.4 million (FY2015: £0.2 million). The share-based payment charge of £0.9 million (FY2015: £0.3 million) is a non-cash cost which relates to the Group's equity-settled share option schemes. The increased charge is mainly in respect of the Long Term Incentive Plan which was set up in 2015.

The adjusted group tax charge was £0.7 million (FY2015: £0.6 million). This has been adjusted to exclude the deferred tax credits associated with the amortisation of acquisition intangibles and share based payment charges. The adjusted group tax charge represents 12.4% (FY2015: 16.4%) of adjusted profit before tax of £5.7 million (FY2015: £3.6 million). The lower adjusted tax rate is mainly the result of a higher rate of R&D tax credit claims in the Gael business acquired in 2015. The Group's use of tax losses has reduced the corporation tax liability to only £13,000 at 30 April 2016.

As a result of the above, adjusted diluted earnings per share increased by 26% to 2.66p (FY2015: 2.11p).

The Group's financial position has continued to strengthen during the year with net assets increasing to £33.7 million (FY2015: £31.2 million) and net current assets increasing to £3.8 million (FY2015: £1.2 million).

The level of intangible assets decreased to £32.6 million (FY2015: £35.1 million) as a result of amortisation charges and no new acquisitions in the year. The Group capitalised £1.6 million (FY2015: £0.9 million) of R&D development costs during the year which represented 47% (FY2015: 49%) of total development costs of £3.5 million (FY2015: £1.9 million) or 7.5% (FY2015: 6.5%) of total revenues. The increase is the result of having Gael in the Group for a full year and the acceleration of the Enlighten development programme.

Cash generated by operations improved during the year and amounted to £4.9 million (FY2015: £2.2 million) representing 78% (FY2015: 56%) of adjusted EBITDA. Free Cash flow also improved significantly to £2.8 million (FY2015 £0.7 million) representing 45% (FY2015: 18%) of adjusted EBITDA. The group ended the year with cash balances of £6.3 million (FY2015: £5.3 million) and no debt.

During the year, the group made the first deferred consideration payment of £1.6 million in respect of the acquisition of Gael. A final payment of £1.6 million is due to be made in January 2017.

Graeme Spenceley
Finance Director

Ideagen plc

Group Statement of Comprehensive Income for the year ended 30 April 2016

	2016	2015
	£'000	£'000

Revenue	21,936	14,389
Cost of sales	(2,632)	(1,892)
Gross profit	19,304	12,497
Operating costs	(13,047)	(8,477)
Profit from operating activities before depreciation, amortisation, share-based payment charges and exceptional items	6,257	4,020
Depreciation and amortisation	(4,322)	(2,503)
Costs of acquiring businesses	-	(450)
Share-based payment charges	(936)	(276)
Profit from operating activities	999	791
Movement in fair value of contingent consideration	(4)	(188)
Finance income	7	5
Profit before taxation	1,002	608
Taxation	315	(128)
Profit for the year	1,317	480
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translating foreign operations	88	(4)
Corporation tax on exercise of options in equity	27	-
Total comprehensive income for the year attributable to the owners of the parent company	1,432	476
Earnings per share	**Pence**	**Pence**
Basic	0.74	0.35
Diluted	0.71	0.34

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Group Statement of Financial Position at 30 April 2016

	2016	**2015**
	£'000	**£'000**
Assets and liabilities		
Non-current assets		
Intangible assets	32,572	35,050
Property, plant and equipment	433	302

Deferred income tax assets	877	876
	33,882	36,228
Current assets		
Inventories	33	55
Trade and other receivables	8,244	7,332
Cash and cash equivalents	6,317	5,266
	14,594	12,653
Current liabilities		
Trade and other payables	2,506	3,476
Contingent consideration on business combinations	-	47
Current income tax liabilities	13	44
Deferred revenue	6,603	6,228
Deferred consideration on business combinations	1,623	1,628
	10,745	11,423
Non-current liabilities		
Deferred consideration on business combinations	-	1,613
Deferred income tax liabilities	4,048	4,656
	4,048	6,269
Net assets	33,683	31,189

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Group Statement of Financial Position at 30 April 2016 (continued)

	2016	**2015**
	£'000	**£'000**
Equity		
Issued share capital	1,790	1,773
Share premium	23,598	23,443
Merger reserve	1,167	1,167
Share-based payments reserve	1,482	653
Retained earnings	5,565	4,160
Foreign currency translation reserve	81	(7)
Equity attributable to owners of the parent	33,683	31,189

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Group Statement of Cash Flows for the year ended 30 April 2016

	2016	2015
	£'000	£'000
Cash flows from operating activities		
Profit for the year	1,317	480
Depreciation of property, plant and equipment	201	156
Amortisation of intangible non-current assets	4,121	2,347
Loss on disposal of property, plant and equipment	3	-
Share-based payment charges	936	276
Finance income recognised in profit or loss	(7)	(5)
Taxation (credit)/charge recognised in profit or loss	(315)	128
Business acquisition costs in profit or loss	-	450
Movement in fair value of contingent consideration	4	188
Decrease in inventories	22	334
Increase in trade and other receivables	(834)	(1,487)
Decrease in trade and other payables	(894)	(661)
Increase in deferred revenue liability	348	42
Cash generated by operations	4,902	2,248
Interest received	7	5
Income tax paid	(41)	(185)
Business acquisition costs paid	(92)	(312)
Net cash generated by operating activities	4,776	1,756
Cash flows from investing activities		
Cash outflow on acquisition of businesses net of cash acquired	-	(15,879)
Payments of deferred consideration on business combinations	(1,618)	(50)
Payments of contingent consideration on business combinations	(51)	(468)
Payments for development costs	(1,644)	(941)
Payments for property, plant and equipment	(347)	(98)
Proceeds of disposal of property, plant and equipment	12	9
Net cash used in investing activities	(3,648)	(17,427)
Cash flows from financing activities		
Proceeds from placing of equity shares	-	17,500
Payments for share issue costs	-	(584)
Proceeds from issue of shares under the share option scheme	172	211
Equity dividends paid	(306)	(219)
Net cash (used)/generated by financing activities	(134)	16,908
Net increase in cash and cash equivalents during the year	994	1,237
Cash and cash equivalents at the beginning of the year	5,266	4,011
Effect of exchange rate changes on cash balances held in foreign currencies	57	18

Cash and cash equivalents at the end of the year	6,317	5,266

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Group Statement of Changes in Equity for the year ended 30 April 2016

	Share capital	Share premium	Merger reserve	Share based payments reserve	Retained earnings	Foreign currency translation reserve	Total attributable to owners of the parent
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 May 2015	**1,773**	**23,443**	**1,167**	**653**	**4,160**	**(7)**	**31,189**
Shares issued under share option scheme	17	155	-	-	-	-	172
Profit for the year	-	-	-	-	1,317	-	1,317
Other comprehensive income for the year	-	-	-	-	27	88	115
Share-based payments	-	-	-	921	-	-	921
Transfer on exercise of share options	-	-	-	(92)	92	-	-
Taxation on share-based payments in equity	-	-	-	-	275	-	275
Equity dividends paid	-	-	-	-	(306)	-	(306)
Balance at 30 April 2016	**1,790**	**23,598**	**1,167**	**1,482**	**5,565**	**81**	**33,683**

Ideagen plc

Group Statement of Changes in Equity for the year ended 30 April 2015

	Share capital	Share premium	Merger reserve	Share based payments reserve	Retained earnings	Foreign currency translation reserve	Total attributable to owners of the parent
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 May 2014	**1,219**	**6,870**	**1,167**	**596**	**3,520**	**(3)**	**13,369**
Share placing	515	16,985	-	-	-	-	17,500
Share placing issue costs	-	(584)	-	-	-	-	(584)

Shares issued under share option scheme	39	172	-	-	-	-	211
Profit for the year	-	-	-	-	480	-	480
Other comprehensive income for the year	-	-	-	-	-	(4)	(4)
Share-based payments	-	-	-	142	-	-	142
Transfer on exercise of share options	-	-	-	(85)	85	-	-
Taxation on share-based payments in equity	-	-	-	-	294	-	294
Equity dividends paid	-	-	-	-	(219)	-	(219)
Balance at 30 April 2015	**1,773**	**23,443**	**1,167**	**653**	**4,160**	**(7)**	**31,189**

Notes

1 Basis of information

The financial information included in this preliminary announcement is unaudited. This information does not constitute the annual report and accounts of the Group for the year ended 30 April 2016 within the meaning of section 434 of the Companies Act 2006. This will be available from www.ideagen.com in due course. The audited annual report and accounts of the Group for the year ended 30 April 2015 has been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis. Consistent accounting policies have been applied in the preparation of this information over the two years ended 30 April 2016 unless otherwise stated below.

2 Revenue

An analysis of the Group's revenue is given below.

	2016 £'000	2015 £'000
Software licences	7,196	4,242
Maintenance and support	10,000	6,606
Professional services	4,636	2,905
Hardware	104	636
Total revenue	**21,936**	**14,389**

3 Earnings per share information

Basic earnings per share is calculated by dividing the profit for the year attributable to the owners of the Group ('Earnings') by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing Earnings by the weighted-average number of ordinary shares outstanding during the year as adjusted for the effect of all potentially dilutive shares, including share options.

In order to better demonstrate the performance of the Group, adjusted earnings per share calculations have also been presented which take into account items typically adjusted for by users of financial statements. The adjusted earnings and earnings per share information are shown below.

	2016	2015
	£'000	£'000
Profit for the year (Earnings)	**1,317**	**480**
Adjustments:		
Costs of acquiring businesses	-	450
Share-based payment charges	936	276
Deferred taxation on share based payment charges	(168)	(57)
Amortisation of acquired intangibles	3,715	2,090
Deferred taxation on amortisation of acquired intangibles	(851)	(409)
Movement in fair value of contingent consideration	4	188
Adjusted earnings	**4,953**	**3,018**
Weighted average number of shares	178,379,433	138,783,359
Diluted weighted average number of shares	186,316,355	143,068,384
Basic earnings per share	0.74 pence	0.35 pence
Diluted earnings per share	0.71 pence	0.34 pence
Adjusted basic earnings per share	2.78 pence	2.17 pence
Adjusted diluted earnings per share	2.66 pence	2.11 pence

4 Taxation

Further information on the taxation (credit)/charge in the Statement of Comprehensive Income is as follows:

	2016 £'000	2015 £'000
UK corporation tax (credit) / charge	(15)	109
Overseas income tax charge	34	51
	19	160

Deferred tax credit on amortisation of acquisition intangibles	(851)	(409)
Deferred tax credit on share based payment charges	(168)	(57)
Deferred tax charge on utilisation of tax losses	442	293
Deferred tax charge on development costs	243	141
Total deferred taxation (credit)	(334)	(32)
Total taxation (credit) / charge	(315)	128

5 Adjusted profit before taxation and adjusted taxation charge in the Income Statement

	2016 £'000	**2015 £'000**
Adjusted earnings (note 3)	4,953	3,018
Adjusted taxation charge (below)	704	594
Adjusted profit before taxation	**5,657**	**3,612**
Taxation (credit)/charge in the Statement of Comprehensive Income	(315)	128
Add back:		
Deferred tax credit on amortisation of acquisition intangibles (note 3)	851	409
Deferred tax credit on share based payment charges (note 3)	168	57
Adjusted taxation charge	**704**	**594**
Adjusted taxation charge based on adjusted profit before taxation	12.4%	16.4%

This information is provided by RNS
The company news service from the London Stock Exchange