

23 January 2018

Ideagen PLC
("Ideagen" or the "Group")

Unaudited Interim Results for the six months ended 31 October 2017

Ideagen PLC (AIM: IDEA), a leading supplier of Information Management software to highly regulated industries, announces its unaudited interim results for the six months ended 31 October 2017.

Financial Highlights

- Revenue increased by 43% to £17.2 million (2016: £12.0 million)
 - Underlying organic revenue growth of 13%
 - New bookings increased by 78% to £10.8m (2016 : £6.1m)
- Recurring revenues increased by 60% to £10.8 million (2016 : £6.7 million)
- SaaS revenues increased by 122% to £3.9m (2016 : £1.7m)
- Recurring revenues represent 63% of total revenue (2016: 56%)
- Adjusted diluted EPS** increased by 38% to 1.73p (2016: 1.25p)
- Adjusted EBITDA* increased by 52% to £4.7 million (2016: £3.1 million)
- Adjusted PBT** increased by 56% to £4.1 million (2016: £2.6 million)
- Cash generated by operations of £3.7 million (2016: £3.0 million) before a payment to HMRC of £0.8 million received from option holders in the prior year for taxes on options exercised
- Net cash of £5.9 million (30 April 2017: £4.2 million; 31 October 2016: £4.8 million)
- 15% increase in interim dividend to 0.078p (2016: 0.068p)

*Before share based payments and exceptional items

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

Operational Highlights

- Robust growth across all GRC product areas
- Acquisitions made in 2016-17 fully integrated and meeting expectations
- Strong momentum in sales in the USA, Europe and Asia-Pacific Regions
- 112 new logo customer wins – 70% outside of the UK
- Further progress within cloud business
 - 66 new logo SaaS customer wins
 - Wins include Boston Scientific, Dun and Bradstreet, Roche and RATP Group
- 46 new logo on premise customer wins including Verizon, Hiscox, Siemens and US Navy
- Strong customer retention - 96% maintenance and support contract renewal rate
- Significant new business from the existing customer base including BAE, Danone and BDO
- Expansion of Malaysian and Bulgarian R&D resources

David Hornsby, CEO of Ideagen, commented: "We are delighted to report on another strong performance from the Group across all of our vertical markets and geographies during the first half of the year.

The Group has achieved growth both organically and from the acquisitions made in the previous year as we continue to execute against our proven strategy. We are particularly pleased with the strong growth in our SaaS revenues and our sales execution and momentum in the USA, Europe and Asia-Pacific regions.

Current trading remains robust and in line with management expectations. The Board remain confident in the outlook for this year and beyond

Enquiries:

Ideagen plc

01629 699100

David Hornsby, Chief Executive
Graeme Spenceley, Finance Director
Joe O'Brien, Investor Relations

finnCap Limited

020 7220 0500

Stuart Andrews/Henrik Persson/James Thompson (Nomad)
Stephen Norcross (Corporate Broking)

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 GRC (Governance, Risk and Compliance) and Content and Clinical solutions with a primary focus on organisations operating within highly regulated industries. With an excellent portfolio of software products, Ideagen can provide complete information lifecycle solutions that enable organisations to reduce risk, meet their regulatory and compliance standards, helping them to reduce costs and improve efficiency

The Group has a customer base of over 3,000 organisations using the Ideagen 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.

For further information please visit www.ideagen.com

CHIEF EXECUTIVE'S REVIEW

Business Review

I am pleased to report on another excellent performance for the six months ended 31 October 2017 combining overall organic revenue growth of 13% together with a full period's contribution from the acquisitions of Logen, Covalent, IPI and Pleasetech which were made in the previous year. Our Governance Risk and Compliance (GRC) business representing over 90% of Group revenue performed strongly with 20% organic growth. The Content and Clinical business declined by 29% driven by our decision to no longer bid for low margin service based contracts within the UK Public Sector.

The Board believes the long term prospects for the Group are positive. The Governance, Risk and Compliance (GRC) market representing over 90% of Group revenue was, according to Gartner, worth \$4.4 billion globally in 2016 and is estimated to be growing at 13% per annum. The Group's core expertise is in the development and implementation of software tools that enable customers to identify, assess and prioritise risk and to manage information in line with rigorous regulations. Our customers are increasingly required to take a holistic view of risk management, internal audit and compliance, with many organisations at the beginning of the adoption phase of high value enterprise-wide solutions.

The Group has a clear and proven strategy to grow the business organically whilst continuing to identify and acquire businesses that offer strong synergies in terms of product, customers and geographical reach. The Board believes that the successful execution on that strategy will continue to bring value to our shareholders, employees and customers. The Group remains committed to increasing its revenue and earnings visibility through the transition to a SaaS and subscription based licence model and the development of international markets, particularly the USA and Asia Pacific.

Demand from all of the Group's key GRC verticals continues to be robust, with new customer wins achieved across a range of industries. The Group is focused on several key vertical markets which are primarily Transport, Banking and Finance, Life Sciences, Healthcare and Advanced Manufacturing. Each of our vertical areas has performed well both in terms of winning new logos and expanding the existing customer footprint through 'cross sell' and 'up sell'. This has resulted in organic growth across our GRC business of 20%. New customer wins in the period include Commerzbank, Dun and Bradstreet, Siemens Transmission, Kerry Foods, mBank, Spirit of Texas Bank, Verizon, RATP Group and Hong Kong Express. New contracts from existing customers include BDO, PWC, Danone, Bae Systems and Lockheed Martin.

The Group continues to benefit from a strong and growing base of recurring revenues, which now represent 63% of total revenue (2016: 56%). Most of this growth is in respect of recurring SaaS revenues which represented 22% (2016: 14%) of total revenues.

The Group has increased its investment to accelerate a number of product development and global sales initiatives in line with our strong organic revenue growth. We view such investment as important to the sustainable long term growth of the business.

Markets and Product Strategy

GRC

We have subject matter expertise and decades of experience in our vertical markets and in our technology domains. These are as follows:

GRC Domains:

- Quality Management
- Safety Management
- Risk Management
- Audit Management
- Performance Management

Vertical markets:

- Transport
- Advanced Manufacturing
- Life Sciences
- Government
- Healthcare
- Financial Services

We develop and sell software products that satisfy our customers' critical needs at the intersection of these domains and markets. Thus, we primarily provide risk based quality and safety management software to the transport, manufacturing, life sciences and healthcare markets and risk based audit and performance software to financial services, accounting firms and the public sector.

Due to the horizontal nature of GRC, the Group can also supply to other vertical markets, for example Oil and Gas and Construction and it is likely that additional key vertical markets will evolve over time.

Clinical Workflow

Ideagen also provides clinical workflow software solutions to the UK NHS where trusts are seeking to modernise and transform processes by digitising medical records. The primary goal of this transformation is to improve patient outcomes and care quality while also generating efficiency savings. The NHS is aiming to implement widespread modernisation and digitisation of working practices. Ideagen clinical workflow and hospital information management solutions have been designed in close collaboration with NHS customers to deliver innovation and improvements in quality, performance and productivity. New business opportunities within the NHS have been limited due to budget constraints which has resulted in a decline in revenues over the past 3 years.

Acquisition Strategy

The Group made 4 acquisitions in the previous year each of which are fully integrated into the Group and are performing well by adding intellectual property, recurring revenues, vertical market consolidation and technical expertise to the Group. They now form part of our enlarged GRC business and now fit into the Group as follows:

- Covalent, a supplier of risk assurance and performance management software to the Public Sector and Financial Services has now been integrated with Pentana Audit and rebranded as Pentana Performance providing a broader solution for Enterprise Risk Management
- IPI, a supplier of quality reporting software to the Aerospace and Defence Industry has been rebranded and is now marketed as a module within the Q-Pulse product range
- Pleasetech's Document Review and Co-authoring software PleaseReview remains a strong brand within the Group. PleaseReview can be sold independently to enhance a prospective customer's existing Information Management capability or as part of a broader Ideagen GRC solution.
- Logen, a reseller of "Ideagen Pentana" is now Ideagen Bulgaria and providing a platform for the expansion of the Group's Research and Development and Sales capability in Eastern Europe.

The Group continues to be committed to a 'buy and build' strategy and is in discussion with a number of potential acquisition targets which the Board believe would enhance the Group and support our ongoing growth strategy.

Current Trading & Outlook

The market for GRC management solutions remains fragmented and the drivers are long term and highly strategic. Trading continues to remain robust while a healthy pipeline reinforces confidence in our forecasts.

We have been aware of the economic and political conditions in the UK for some time and the Group has responded by developing a strong and growing presence in a number of global markets. Our success in winning new business together with our increasing levels of recurring revenue and repeat business from our 3,000 strong customer base, provides us with confidence in the future prospects of the Group.

David Hornsby
Chief Executive Officer

FINANCIAL REVIEW

Revenue for the 6 months ended 31 October 2017 increased by 43% to £17.2 million (2016: £12.0 million) which included strong pro-forma organic revenue growth of 13%. This is calculated based on a comparison with pro-forma revenue for 2016 of £15.2 million which includes revenues for Covalent, IPI, PleaseTech and Logen as if those businesses had been owned by the Group for the whole of the comparative period.

New sales bookings increased by 78% to £10.8 million (2016: £6.1 million). For SaaS based contracts, a booking includes 3 years of SaaS subscriptions and associated professional services revenues. For on-premise based contracts, a booking includes a perpetual licence, 1 year of maintenance and associated professional services revenues.

Recurring revenues have grown strongly because of both the continuing focus on our SaaS/Subscription-based products and the acquisitions of businesses with high levels of recurring revenues. In the 6 months to 31 October 2017, SaaS revenues were £3.9 million (2016: £1.7 million) representing 22% (2016: 14%) of Group revenue. Total recurring revenues increased by 60% to £10.8 million (2016: £6.7 million) representing 63% (2016: 56%) of overall revenues. Revenues are analysed by revenue stream in note 2.

The group provides software solutions in two areas; GRC and Content and Clinical, although the Group is now almost entirely focused on GRC products after further resources were re-deployed from Content and Clinical to GRC to address the wider and more profitable opportunities available in the GRC market. Revenues from GRC products increased to 91% (2016: 82%) of Group revenue in the 6 months to 31 October 2017 as a result of both the acquisitions of GRC businesses in the prior year and strong pro-forma organic GRC revenue growth of 20% in the period. As a result of the Group's increased concentration of its resources on GRC products, Content and Clinical revenues declined in the period to £1.6 million (2016: £2.2 million) representing only 9% (2016: 82%) of total Group revenue in the first half. The majority of this decline is due to the Group's decision to no longer bid for contracts for the design and build of web sites for the UK public sector which represented lower margin, service based business for the Group.

Adjusted EBITDA increased by 52% to £4.7 million (2016: £3.1 million). The adjusted EBITDA margin improved to 27.5% (2016: 25.8%) resulting from the gearing effect of strongly growing revenues while maintaining control of costs. Revenues are seasonally biased towards the second half of the year thereby resulting in higher adjusted EBITDA margins in the second half and for the year as a whole.

The Group has significant intangible assets from the acquisitions it has made. The amortisation of these acquired intangibles of £2.9 million (2016: £2.0 million) represents the majority of the total depreciation and amortisation charge for the period of £3.5 million (2016: £2.4 million). The amortisation of development costs amounted to £0.5 million (2016: £0.4 million). The share-based payment charge of £0.4 million (2016: £0.5 million) relates to the group's

equity-settled share option schemes including the group's Long Term Incentive Plan and the Group's share incentive plan for employees.

The adjusted group tax charge was £0.5 million (2016: £0.3 million) and is analysed in note 5. This has been adjusted to exclude the deferred taxation credits associated with the amortisation of acquired intangibles and share-based payment charges. The adjusted group tax charge represents 12% (2016: 12%) of adjusted PBT of £4.1 million (2016: £2.6 million) which is also analysed in note 5. The Group continues to benefit from the availability of R&D taxation credits.

As a result of the above, adjusted diluted earnings per share increased by 38% to 1.73p (2016: 1.25p). Details of the calculation of adjusted earnings per share are provided in note 3.

The Group's financial position has continued to strengthen with net assets increasing to £48.0 million (30 April 2017: £46.4 million; 31 October 2016: £34.7 million). Net current liabilities were reduced to £1.6m (30 April 2017: £5.2 million) due to the generation of cash which was largely utilised to repay short-term bank borrowings and some trade and other payables. Current liabilities includes £11.2 million (30 April 2017: £11.6 million) in respect of revenue invoiced on maintenance and support and SaaS contracts which has been deferred to future periods in accordance with the group's accounting policies. This is not a cash liability.

The level of intangible assets decreased to £54.1 million (30 April 2017: £56.4 million) mainly through the effects of amortisation and the capitalisation of £1.1 million (2016: £0.93 million) of R&D development costs during the period which represented 6.4% (2016: 7.7%) of total revenues.

Cash generated by operations was £3.7 million (2016: £3.0 million) before taking into account a payment to HMRC of £0.8 million which had been received from option holders in the prior year to cover their payroll taxes on options exercised by them close to the end of the financial year, as previously noted in our 2017 preliminary announcement. This represents 79% (2016: 96%) of adjusted EBITDA and follows a very strong cash generation metric of over 100% for the year to April 2017 and an unusually high metric in the first half of 2016. Cash generation in the Group is slightly biased towards the second half due to the renewal pattern of our recurring revenue contracts. Free cash flow adjusted for the £0.8 million payment noted above, amounted to £2.0 million (2016: £1.8 million) representing 43% (2016: 59%) of adjusted EBITDA. The group ended the period with net cash balances of £5.9 million (30 April 2017: £4.2m).

Dividend

The Board proposes to increase the interim dividend by 15% to 0.078 pence per share (2016: 0.068 pence per share) payable on 20th March 2018 to shareholders on the register on 2nd March 2018. The corresponding ex-dividend date is 1st March 2018.

Graeme Spenceley
Chief Financial Officer

Ideagen plc

Group Statement of Comprehensive Income for the six months ended 31 October 2017

	Six months ended 31 October 2017	Six months ended 31 October 2016
	£'000	£'000
Revenue (note 2)	17,167	12,024
Cost of sales	(1,654)	(1,436)
Gross profit	15,513	10,588
Operating costs	(10,799)	(7,481)
Profit from operating activities before depreciation, amortisation, share-based payment charges and exceptional items	4,714	3,107
Depreciation and amortisation	(3,523)	(2,446)
Share-based payment charges	(414)	(509)
Costs of acquiring businesses	-	(176)
Profit/(loss) from operating activities	777	(24)
Movement in the fair value of contingent consideration	(4)	-
Finance costs	(19)	-
Profit/(loss) before taxation	754	(24)
Taxation credit (note 4)	92	26
Profit for the period	846	2
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss:		
Exchange differences on translating foreign operations	(101)	380
Corporation tax on exercise of options	93	76
Total comprehensive income for the period attributable to the owners of the parent company	838	458
Earnings per share (note 3)	Pence	Pence
Basic	0.44	0.00
Diluted	0.42	0.00

Ideagen plc

Group Statement of Financial Position at 31 October 2017

	31 October 2017	30 April 2017	31 October 2016
	£'000	£'000	£'000
Assets and liabilities			
Non-current assets			
Intangible assets	54,149	56,427	36,887
Property, plant and equipment	628	583	445
Deferred income tax assets	1,134	1,348	777
	<u>55,911</u>	<u>58,358</u>	<u>38,109</u>
Current assets			
Inventories	10	10	16
Trade and other receivables	11,008	10,971	8,941
Current income tax recoverable	-	27	-
Cash and cash equivalents	5,861	6,205	4,817
	<u>16,879</u>	<u>17,213</u>	<u>13,774</u>
Current liabilities			
Trade and other payables	3,453	5,115	3,154
Contingent consideration on business combinations	2,000	2,054	-
Current income tax liabilities	145	-	94
Short term borrowings	-	2,000	-
Deferred revenue	11,212	11,609	7,686
Deferred consideration on business combinations	1,640	1,640	1,623
	<u>18,450</u>	<u>22,418</u>	<u>12,557</u>
Non-current liabilities			
Deferred consideration on business combinations	460	460	-
Deferred income tax liabilities	5,836	6,274	4,587
	<u>6,296</u>	<u>6,734</u>	<u>4,587</u>
Net assets	<u><u>48,044</u></u>	<u><u>46,419</u></u>	<u><u>34,739</u></u>

Ideagen plc

Group Statement of Financial Position at 31 October 2017 (continued)

	31 October 2017	30 April 2017	31 October 2016
	£'000	£'000	£'000
Equity			
Issued share capital	2,000	1,981	1,815
Share premium	33,879	33,405	23,766
Merger reserve	1,658	1,658	1,167
Share-based payments reserve	1,225	961	1,138
Retained earnings	9,050	8,081	6,392
Foreign currency translation reserve	232	333	461
	<hr/>	<hr/>	<hr/>
Equity attributable to owners of the parent	48,044	46,419	34,739
	<hr/>	<hr/>	<hr/>

Ideagen plc

Group Statement of Cash Flows for the six months ended 31 October 2017

	Six months ended 31 October 2017	Six months ended 31 October 2016
	£'000	£'000
Cash flows from operating activities		
Profit for the period	846	2
Depreciation of property, plant and equipment	141	107
Amortisation of intangible non-current assets	3,382	2,339
Business acquisition costs in profit or loss	-	176
Share-based payment charges in profit or loss	414	509
Movement in fair value of contingent consideration	4	-
Finance costs recognised in profit or loss	19	-
Taxation credit recognised in profit or loss	(92)	(26)
Decrease in inventories	-	17
Increase in trade and other receivables	(139)	(108)
(Decrease)/increase in trade and other payables	(1,285)	194
Decrease in deferred revenue	(378)	(232)
Cash generated by operations	<u>2,912</u>	<u>2,978</u>
Finance costs paid	(19)	-
Income tax repaid	11	42
Employer's national insurance paid on share-based payments	(238)	-
Business acquisition costs paid	(135)	(164)
Net cash generated by operating activities	<u>2,531</u>	<u>2,856</u>
Cash flows from investing activities		
Net cash outflow on acquisition of businesses net of cash acquired	-	(3,657)
Payments of contingent consideration on business combination	(57)	-
Payments for development costs	(1,104)	(932)
Payments for property, plant and equipment	(185)	(90)
Net cash used by investing activities	<u>(1,346)</u>	<u>(4,679)</u>
Cash flows from financing activities		
Repayment of short term borrowings	(2,000)	-
Proceeds from issue of shares under share option scheme	471	193
Proceeds from issue of shares under share incentive plan	22	-
Net cash (used)/generated by financing activities	<u>(1,507)</u>	<u>193</u>
Net decrease in cash and cash equivalents during the period	(322)	(1,630)
Cash and cash equivalents at the beginning of the period	6,205	6,317
Effect of exchange rate changes on cash balances held in foreign currencies	(22)	130
Cash and cash equivalents at the end of the period	<u>5,861</u>	<u>4,817</u>

Ideagen plc: Group Statement of Changes in Equity for the six months ended 31 October 2017

	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 2017	1,981	33,405	1,658	961	8,081	333	46,419
Shares issued under share option scheme	14	457	-	-	-	-	471
Shares issued under share incentive plan	5	17	-	-	-	-	22
Share-based payments	-	-	-	414	-	-	414
Transfer on exercise of share options	-	-	-	(150)	150	-	-
Taxation on share-based payments in equity	-	-	-	-	(120)	-	(120)
Total transactions with owners recognised directly in equity	19	474	-	264	30	-	787
Profit for the period	-	-	-	-	846	-	846
Other comprehensive income for the period	-	-	-	-	93	(101)	(8)
Total comprehensive income for the period	-	-	-	-	939	(101)	838
Balance at 31 October 2017	2,000	33,879	1,658	1,225	9,050	232	48,044

Ideagen plc: Group Statement of Changes in Equity for the six months ended 31 October 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 2016	1,790	23,598	1,167	1,482	5,565	81	33,683
Shares issued under share option scheme	25	168	-	-	-	-	193
Share-based payments	-	-	-	403	-	-	403
Transfer on exercise of share options	-	-	-	(747)	747	-	-
Taxation on share-based payments in equity	-	-	-	-	2	-	2
Total transactions with owners recognised directly in equity	25	168	-	(344)	749	-	598
Profit for the period	-	-	-	-	2	-	2
Other comprehensive income for the period	-	-	-	-	76	380	456
Total comprehensive income for the period	-	-	-	-	78	380	458
Balance at 31 October 2016	1,815	23,766	1,167	1,138	6,392	461	34,739

Ideagen plc: Group Statement of Changes in Equity for the year ended 30 April 2017

	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 2016	1,790	23,598	1,167	1,482	5,565	81	33,683
Share placing	133	9,867	-	-	-	-	10,000
Share placing issue costs	-	(335)	-	-	-	-	(335)
Shares issued on acquisition of business	9	-	491	-	-	-	500
Shares issued under share option scheme	49	275	-	-	-	-	324
Share-based payments	-	-	-	858	-	-	858
Transfer on exercise of share options	-	-	-	(1,379)	1,379	-	-
Taxation on share-based payments in equity	-	-	-	-	475	-	475
Equity dividends paid	-	-	-	-	(346)	-	(346)
Total transactions with owners recognised directly in equity	191	9,807	491	(521)	1,508	-	11,476
Profit for the period	-	-	-	-	731	-	731
Other comprehensive income for the period	-	-	-	-	277	252	529
Total comprehensive income for the period	-	-	-	-	1,008	252	1,260
Balance at 30 April 2017	1,981	33,405	1,658	961	8,081	333	46,419

Ideagen plc

Notes to the interim financial information

1 Basis of information

The interim financial information for the 6 months ended 31 October 2017 and the six months ended 31 October 2016 included in this announcement is unaudited. The financial information for the year ended 30 April 2017 included in this announcement does not constitute the annual report and accounts of the Company for the year ended 30 April 2017 within the meaning of section 434 of the Companies Act 2006. The audited annual report and financial statements of the Company for the year ended 30 April 2017 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.

2 Revenue

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

	31 October 2017 £'000	31 October 2016 £'000
Recurring SaaS/subscription software revenues	3,854	1,734
Recurring support & maintenance	6,919	5,015
Total recurring revenues	<u>10,773</u>	<u>6,749</u>
Software – new licence revenues	3,587	2,415
Professional services	2,515	2,682
Other	292	178
Total revenue	<u>17,167</u>	<u>12,024</u>

3 Earnings per share information

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

In order to better demonstrate the performance of the Company, 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.

Earnings per share information	Six months ended 31 October 2017	Six months ended 31 October 2016
	£'000	£'000
Profit for the period (Earnings)	846	2
Adjustments:		
Share-based payment charges	414	509
Deferred taxation on share-based payment charges	(40)	54
Costs of acquiring businesses	-	176
Movement in fair value of contingent consideration	4	-
Amortisation of acquired intangibles	2,927	1,973
Deferred taxation on amortisation of acquired intangibles	(556)	(393)
Adjusted earnings	<u>3,595</u>	<u>2,321</u>
Weighted average number of shares	198,459,844	179,705,928
Diluted weighted average number of shares	208,016,057	186,201,454
Basic earnings per share	0.44 pence	0.00 pence
Diluted earnings per share	0.42 pence	0.00 pence
Basic adjusted earnings per share	1.81 pence	1.29 pence
Diluted adjusted earnings per share	1.73 pence	1.25 pence

4 Taxation

Further information on the taxation charge in the Statement of Comprehensive Income is as follows:

	Six months ended 31 October 2017 £'000	Six months ended 31 October 2016 £'000
Income taxation charge	253	145
Deferred tax credit on amortisation of acquisition intangibles	(556)	(393)
Deferred tax on share-based payment charges	(40)	54
Deferred tax charge on utilisation of tax losses	133	48
Deferred tax charge on development costs	118	120
Total deferred income taxation credit	<u>(345)</u>	<u>(171)</u>
Total taxation credit	<u>(92)</u>	<u>(26)</u>

5 Adjusted profit before taxation and adjusted taxation charge

	6 months ended 31 October 2017 £'000	6 months ended 31 October 2016 £'000
Adjusted earnings (note 3)	3,595	2,321
Adjusted taxation charge (below)	504	313
Adjusted profit before taxation	<u>4,099</u>	<u>2,634</u>
Taxation in the Statement of Comprehensive Income	(92)	(26)
Add back:		
Deferred taxation credit on amortisation of acquisition intangibles (note 4)	556	393
Deferred taxation on share based payment charges	40	(54)
Adjusted taxation charge	<u>504</u>	<u>313</u>
Adjusted taxation charge based on adjusted profit before taxation	<u>12.3%</u>	<u>11.9%</u>