

Getech Group plc

Interim report for the twelve months ended 31 July 2017
Company number 02891368

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Chairman's Statement

Highlights

- Revenues of £7.7 million in the year to 31 July 2017 with an additional £0.8 million sales closed relating to future deliverables
- Group year-end and reporting Accounting Reference date moved to 31 December
- Strength in Products tempered by headwinds in geoscience services
- 32% reduction in Group cash costs (like-for-like) but 11% expansion in product investment
- Cash balance at 31 July 2017: £1.7 million (31 July 2016: £2.8 million); inclusive of £1.0 million temporary cash timing effect and £0.5 million of redundancy costs
- Final acquisition payments made for ERCL and Exprodat totalling £0.5 million (2016: £0.2 million)
- Underlying £1.9 million net operating cash inflow (2016: underlying £0.3 million net operating cash outflow)
- Encouraging start to trading in the period beginning 1 August 2017

In the 12 months to 31 July 2017 the Getech Group enhanced its cash profitability and strengthened the commercial positioning of its Products and Services. This has been achieved under the leadership of a new management team; through a combination of cost control, customer engagement and the repositioning of how we invest our operating cash flow. These steps have significantly strengthened the Group.

The financial expression of these steps is partially obscured by exceptional restructuring costs, a period-end cash timing issue and 2016 fair value adjustments. Cash balances are also net of the final payments of £0.5 million for the ERCL Limited and Exprodat Consulting Limited acquisitions. Looking through these items, Getech generated an underlying £1.9 million net operating cash inflow, which compares to a 2016 net operating cash outflow of £0.3 million (see table A).

More broadly, as well as growing our revenues in our core oil & gas market, we continue to progress new opportunities where we can apply our geoscience and geospatial skills to new challenges in new sectors. In the year to 31 July 2017, we worked for customers in the nuclear, water and transportation sectors. Although the revenue contribution of these activities is currently small, I am pleased to report that our delivery has won us follow-on work in each new sector.

Operational Review

- New Senior Management Team, drawn from across the enlarged Group
- Globe Phase Two completed – on time and on cost
- Significant expansion in pre-funding for 2018 work programme

As a Group we have used our financial and operational strength to build and broaden our business during the oil & gas sector downturn. In June 2016 we completed the acquisition of Exprodat, a global leader in geospatial software and services, and in August 2016 we appointed a new CEO, Dr Jonathan Copus.

On his arrival Jonathan initiated a Group-wide review to assess the Group's financial, operational and commercial positioning. The wide-ranging programme of organisational change that followed has repositioned our staff and their skills around more clearly defined Product and Service divisions. We have also refocused our products and services to more specifically address the technical challenges faced by our customers in their exploration, production and management of natural resources. This programme has been led by a new Senior Management Team, and delivered by teams from across the entire Getech Group.

Year-on-year, like-for-like Group costs have been lowered by 32% (see table B), whilst our programme of product investment expanded by 11%. In the same period sales rose by 9%, but this figure excludes an additional £0.8 million of pre-funding for our 2018 product development programme, which commenced on 1 August 2017.

Products

The year to 31 July 2017 presented a more buoyant market for our Products division, where our offering spans data, software, and multi-client reports. Across these products we view our success to reflect the collaborative approach that we have established with our customers and our continued commitment to training and product enhancement.

At the heart of our product offerings lie our market-leading inventory of Gravity & Magnetic data. Sales of these data were strong - it being an essential and cost-effective component of the integrated campaigns of our oil & gas customers, and a core operational tool for the mining industry. These data, coupled with our advanced processing techniques and interpretation expertise, are also used to underpin our Globe and Regional Reports products.

Globe is a large GIS-based data product that our customers use to strengthen their understanding of the Earth's geological evolution and to predict the location of its natural resources. It does this by providing paleogeographic, structural geology and paleoenvironmental data through geologic time; factors that combine to control the formation and location of oil & gas. Globe users are better positioned to understand petroleum systems and predict geologic risk and uncertainty. The team delivering this product is Getech's largest and draws on a diverse range of skills.

In August 2017 Globe entered its eighth year of development and continues to benefit from the support of a broad group of supermajors and large independent oil and gas companies. In December 2016 Globe's customer base was further strengthened when another prominent supermajor signed up to the product, and in July 2017 Globe Phase Two was completed on-time and on-cost. Customer feedback on Globe Phase Two's new content and delivery enhancements has been strong and through a new programme of training and practical support we are seeing our userbase expand as the product becomes more central to our customers' daily workflow. Work on Globe 2018 commenced in August 2017.

We build additional value in and around the Globe product through our multi-client Regional Reports. These provide more detailed analysis of areas of key exploration interest. The sector downturn has made the market for these reports more challenging, however we retain a rich inventory of studies and we are exploring new ways for our customers to access their value. For example, in 2017 we created Regional Reports Online, a cloud-based delivery system that uses interactive web-based GIS apps that allow our customers to more easily access the rich underlying content.

Alongside our data and reports, our software products provide petroleum-focused extensions to Esri's ArcGIS Desktop application. These enable oil & gas explorers to easily integrate data from sub-surface interpretation applications, perform complex play-based exploration workflows, plan well patterns and manage unconventional reserves over time. Our three core extensions, Data Assistant, Exploration Analyst and Unconventionals Analyst, were enhanced to include a range of new customer-requested functionality and upgraded to include support for Esri's latest 10.5.1 release. The re-subscription rate across all the software products maintained 2016 levels at above 95%, and our install-base grew further – driven by new sales (14% overall customer increase) and by customers with Global licenses deploying the software more widely within their organisations.

Services

As the number of redundancies across the upstream industry has increased, and with exploration and production budgets remaining constrained, competition within the geoscience consulting space has intensified. As a result, the market conditions for these activities remained challenging. This was partially offset by our GIS service offering, which continued to benefit from a range of long-term oil & gas relationships and an ability to open doors to new opportunities.

Our ability to leverage our underlying products and deliver complex integrated geoscience and geospatial consultancy projects remains a key differentiator for Getech. As an example, we have a long history of assisting Governments and National Oil Companies with License Rounds, Data Management, Capacity Building and Advisory services. In 2017, Getech, through its wholly owned subsidiary ERCL, worked for the Governments of Lebanon, Mozambique, Namibia, Ras al Khaimah and Sierra Leone.

In Sierra Leone we have been working with the Petroleum Directorate since 2016, a project initially funded by the World Bank. In the year to 31 July 2017 this relationship broadened into a long-term partnership through which we will work together to promote Sierra Leone as a key area for exploration investment. This and similar programmes of Government Advisory work enable us to broker a rich portfolio of seismic and well data.

Closer to home, we won a mandate to define and deliver a multi-faceted spatial data strategy for the UK Oil and Gas Authority (the OGA), who then commissioned Getech's Gravity and Magnetics team to complete technical service work over the South-Western Approaches area of the UK Continental Shelf. In the period the OGA also purchased our proprietary MultiSat gravity product which is now being used to encourage investment in under explored areas of the region.

Our GIS Services Group has been utilised across a broad range of engagements. We worked on spatial data projects that included creating a web-based mapping platform to assist oil spill response, pipeline engineering, vessel tracking and ice monitoring in and around the Caspian Sea. The team was also engaged designing delivery improvements to Globe and our Regional Reports products and conducted a variety of public and private training courses in Europe, the US and Australia.

Away from oil & gas, our GIS skills continue to open doors to opportunities across a range of new sectors. We worked in partnership with Esri UK on contracts in the water and transportation industries, and we have matured and expanded our GIS software services footprint in the nuclear space. In each of these new sectors our investment of time and resource has been rewarded by winning follow-on work.

Financial Review

During the 12 months to 31 July 2017 and the year to 31 July 2016 there have been events and accounting adjustments that together obscure the underlying performance of the business. The table below sets out key figures from the financial statements and the equivalent figure adjusted for these events and accounting treatments.

	2017 Actual (unaudited) £'000	2017 Adjusted (unaudited) £'000	2016 Actual £'000	2016 Adjusted (unaudited) £'000
(A) Key financial statement figures and adjustments				
Revenue	7,670	7,670	7,031	7,031
Operating (loss)/profit (1) (2)	(130)	321	693	(152)
Profit attributable to owners of the company (1) (2)	154	605	1,089	270
Net cash inflow/(outflow) from operations (1) (3)	513	1,949	(285)	(259)
Development costs capitalised	(916)	(916)	(824)	(824)
Acquisition costs, net of cash received	(500)	(500)	(240)	(240)
Cash and cash equivalents (1) (3)	1,697	3,133	2,788	2,814

(1) Restructuring costs

During the year to 31 July 2017, the Group launched a restructuring programme that resulted in one-off costs of £451,000 (2016: £26,000). The adjusted income statement and cash flow figures above remove these costs to show the underlying business performance.

(2) Fair value adjustment

During the year to 31 July 2016, the fair value of the provision for earn-out payments relating to the acquisition of ERCL was written down by £845,000 resulting in a one-off credit to administrative costs for the same amount. The adjusted income statement figures above reverse the change to the fair value of the provision, which was made in 2016 to reflect market conditions. This is an accounting adjustment and therefore does not affect reported cash flow figures.

(3) Exceptional payment delays

At 31 July 2017 unforeseen, exceptional payment delays, which our customers informed us of late in July 2017, resulted in £985,000 of cash not being collected until after the reporting period.

This has a significant effect on the reported cash flow figures for the period. The figures above are adjusted to reflect the unexpected delay in payments, the position being rectified shortly after the period end. This is a cash flow and working capital adjustment and therefore does not affect the reported income statement figures.

Revenues and cost management

Getech reports revenues of £7,670,000 for the 12 months to 31 July 2017, up 9% compared to 2016. In addition to the revenue reported, a further £791,000 of sales were closed before 31 July 2017 that relate to deliverables in future periods.

In the year to 31 July 2017 Exprodat made its first full 12-month contribution to Group revenues and costs. Exprodat's revenue contribution was in part offset by a challenging Geoscience Services market and a slowdown in sales of our Regional Reports product. In response, by way of a broader repositioning of our product and services activities, we have reduced the Group's underlying cost base by 32% (like-for-like). The table below provides a reconciliation of costs.

Cost reductions have been achieved through the reduced use of contractors and by lowering the staff head-count by 18%. Service activities, and management/administrative overhead roles bore the brunt of job losses during the six-month period to 31 January 2017, the cash benefit of which was not fully realised until the second six-month period.

	Percent variance from prior 12 months	12 months ended 31 July 2017 Unaudited £'000	Year ended 31 July 2016 Audited £'000
(B) Like-for-like cost base reconciliation			
Cost of sales		4,220	3,503
Administrative costs		3,580	2,835
Development costs capitalised		916	824
Depreciation and amortisation charges		(799)	(671)
(Decrease)/increase in inventories		(1)	775
Exchange adjustments		27	77
Fair value adjustments		—	845
Cost base	(3.0) %	7,943	8,188
Exprodat cost base for 2016 (an additional 10.5mths in full year figures)		—	2,873
Like-for-like cost base	(28.2) %	7,943	11,061
Redundancy costs		(451)	(26)
Like-for-like cost base, excluding one-off redundancy costs	(32.1) %	7,492	11,035

Cost base is measured as: cost of sales, administrative costs and development costs capitalised, less depreciation and amortisation, and adjusted for movement in work in progress, foreign exchange (as this predominantly relates to income for the group) and fair value adjustments. To allow like-for-like analysis, the cost base of Exprodat, that was

not consolidated into the group financial statements before its acquisition on 14 June 2016, has been added to the group cost base. Figures below the 'cost base' line are unaudited.

Profitability

Getech reports an operating loss of £130,000 (2016: £693,000 operating profit). This includes the cost of restructuring the business and a one-off accounting adjustment in 2016. Adding back restructuring costs and reversing the accounting adjustment in 2016, Getech delivered an operating profit of £321,000 (2016: £152,000 operating loss).

In making the same adjustments to Getech's post-tax profit of £154,000 (2016: £1,089,000), the Group delivered an adjusted profit of £605,000 (2016: £270,000 profit).

Operating cash flow

Getech reports net operating cash inflows of £513,000 (2016: £285,000 cash outflow). This is inclusive of cash tax receipts of £521,000 (2016: net cash tax payments of £326,000). A review of our fiscal efficiency was completed in the period and this resulted in refunds from tax overpaid in the US and an improved tax credit position against our R&D expenditure. Most of these cash benefits were received during the first 6 months of the reporting period.

Operating cash flows for the reported period were affected by unforeseen, exceptional payment delays, which our customers informed us of late in July 2017, totalling £985,000. The payment delays have since been resolved and monies received.

When adjusted for the cash cost of restructuring and payment delays, the resulting operating cash inflow of £1,949,000 compares to an outflow of £258,000 twelve months previously.

Investment and capital expenditure

Getech continues to invest in its Globe platform, with expenditure of £916,000 during the reported period (2016: £824,000). The second phase of Globe investment was completed in July, on time and on cost, and delivered to our sponsors. Globe's 2018 work programme is now well underway.

During the period under review, £500,000 (2016: £240,000 net) cash payments were made in relation to the acquisition of ERCL and Exprodat. As at 31 July 2017 there are no further acquisition payments outstanding.

Liquidity

At the end of the period under review, Getech held £1,697,000 in cash and cash equivalents, and a gross debt of £755,000 (2016: £2,788,000 in cash and cash equivalents, and gross debt of £900,000). This represents a net cash outflow of £1,095,000 (2016: net cash outflow of £2,063,000).

The reduction in cash was temporary, reflecting the timing impact of unforeseen and exceptional payment delays described above. These late payments have now been received.

Adjusting net operating cash flows for £985,000 of delayed customer payments and £451,000 of restructuring costs, Getech's operations delivered an underlying net operating cash inflow of £1,949,000 (2016: £259,000 cash outflow), which would have translated to a period-end cash balance of £3,133,000 (2016: £2,814,000).

Dividends

Given the ongoing market conditions, the Directors do not consider it prudent to pay a dividend at this time.

Change to year-end reporting date

Getech's 31 July year-end places the Group's reporting cycle out of phase with our customers' budget cycle. This also means that we are looking to close year-end sales at the peak of the holiday season. The Board has therefore decided to move the Getech Group's year-end and reporting Accounting Reference Date to 31 December.

As a result of this change, the Company's reporting calendar will be as follows:

- Audited final results for the 17 months ended 31 December 2017 will be published by 28 February 2018
- Thereafter unaudited interim results will be published within 3 months of 30 June and audited final results within 6 months of 31 December.

Outlook

Underpinning future activities is a focus on how we add value to our customers; our goal being to deliver products and services that are technically innovative, easy to use, and which deliver practical value in their day-to-day work.

From this starting point, we are better positioned to capture opportunities as green shoots emerge around oil and gas exploration spending, and we take cautious encouragement from recent trading. Following the period under review, we have seen a continuation of 2017's buoyant market for data, and we have a strong pipeline of pre-funded work. At the core of this are subscriptions to Globe 2018.

Our specification for the Globe 2018 release comprises the most diverse and innovative inventory of new content and features undertaken to date. It has been shaped through dialogue with our customers and we will use our GIS and software expertise to deliver improved usability and a broad programme of training. Work on Globe 2018 commenced in August 2017 and in parallel we launched Globe Regions - a new regionally-focused product positioned to open Globe's data and analysis to a wider customer audience.

Linking these themes to our Services division, in October 2017, the Government of Sierra Leone launched its fourth offshore petroleum licensing round. We will support this by using our products and service expertise to fast-track insight into the prospectivity of the region. This will be done through a series of technical studies married with an ongoing programme of technical support, technology transfer and counterpart training to the Petroleum Directorate. In return, we access the ability to exclusively broker a rich portfolio of high-value seismic and well data.

Elsewhere, we have signed an agreement with the Mozambique Water Ministry to deliver geochemical data on Esri's ArcGIS Platform to help locate new drinking water wells. A pilot study has been successfully commercialised and we are examining ways to expand the footprint of our work.

Conclusion

We continue to navigate what has been a fundamental rebasing of upstream exploration activity. We have repositioned or stopped activities that are 'nice to haves' for our customers, and focused our spending on an innovative programme of core products and related services. We see significant potential to broaden our activities and believe that key to unlocking this is the practical combination of our world-class geoscience and geospatial skills.

Our goal is to build our activities within and beyond our core upstream oil and gas market to become a leading solutions provider to the wider natural resources industry; this being a customer-base that invests billions of dollars each year making decisions that are 'geographic' in nature and which require specialised analytical skills and tools, to solve problems that involve highly complex spatial data. Harnessing these opportunities creates transformational potential for the Group.

As we move through this exciting period of corporate change, I would like to thank Getech's staff and my fellow Directors for their professionalism, hard work and dedication.

Dr Stuart M. Paton

Non-executive Chairman

Consolidated Statement of Comprehensive Income

For the twelve months ended 31 July 2017

	Note	12 months ended 31 July 2017 Unaudited £'000	Year ended 31 July 2016 Audited £'000	6 months ended 31 July 2017 Unaudited £'000	6 months ended 31 July 2016 Unaudited £'000
Revenue		7,670	7,031	3,617	3,743
Cost of sales		(4,220)	(3,503)	(2,014)	(1,488)
Gross profit		3,450	3,528	1,603	2,255
Administrative costs		(3,580)	(2,835)	(1,356)	(865)
Operating (loss)/profit		(130)	693	247	1,390
Finance income		2	8	(6)	3
Finance costs		(26)	(30)	(13)	(18)
(Loss)/profit before tax		(154)	671	227	1,375
Income tax credit		308	418	153	418
Profit for the period attributable to owners of the Parent Company		154	1,089	380	1,793
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences on translation of foreign operations		(14)	110	(56)	67
Total comprehensive income for the period attributable to owners of the Parent Company		140	1,199	324	1,860
Earnings per share	4				
Basic earnings per share		0.41p	3.25p	1.01p	5.26p
Diluted earnings per share		0.40p	3.17p	1.00p	5.13p

Consolidated Statement of Financial Position

As at 31 July 2017

Company registration number: 02891368

	31 July 2017 Unaudited £'000	31 July 2016 Audited £'000
Assets		
Non-current assets		
Property, plant and equipment	2,524	2,691
Goodwill	3,428	3,428
Intangible assets	3,264	2,948
Deferred tax assets	333	283
	9,549	9,350
Current assets		
Inventories	1,066	1,067
Trade and other receivables	3,097	3,372
Current tax assets	275	434
Cash and cash equivalents	1,696	2,788
	6,134	7,661
Total assets	15,683	17,011
Liabilities		
Current liabilities		
Borrowings	266	133
Trade and other payables	2,073	3,549
Current tax liabilities	-	13
	2,339	3,695
Non-current liabilities		
Borrowings	489	767
Deferred tax liabilities	503	387
	992	1,154
Total liabilities	3,331	4,849
Net assets	12,352	12,162
Equity		
Equity attributable to owners of the Parent Company		
Share capital	94	94
Share premium account	3,053	3,053
Merger relief reserve	2,407	2,407
Share option reserve	147	173
Currency translation reserve	(15)	(1)
Retained earnings	6,666	6,436
Total equity	12,352	12,162

Consolidated Statement of Cash Flows

For the twelve months ended 31 July 2017

	12 months ended 31 July 2017 Unaudited £'000	Year ended 31 July 2016 Audited £'000	6 months ended 31 July 2017 Unaudited £'000	6 months ended 31 July 2016 Unaudited £'000
Cash flows from operating activities				
(Loss)/profit before tax	(154)	671	227	1,375
Share-based payment charge	50	52	23	24
Depreciation and amortisation charges	799	671	393	364
Profit on disposal of fixed assets	—	(4)	—	(4)
Fair value adjustments	—	(845)	—	(845)
Finance income	(2)	(8)	6	(3)
Finance costs	26	30	13	18
Exchange adjustments	(27)	(77)	(32)	49
Decrease/(increase) in inventories	1	(775)	(162)	(610)
Decrease/(increase) in trade and other receivables	275	1,491	(549)	(83)
(Decrease) in trade and other payables	(976)	(1,164)	(256)	(29)
Cash (used in)/generated from operations	(8)	41	(337)	256
Income taxes refunded/(paid)	521	(326)	41	(109)
Net cash generated from/(used in) operating activities	513	(285)	(296)	147
Cash flows from investing activities				
Purchase of property, plant and equipment	(23)	(32)	(20)	(13)
Proceeds from sale of fixed assets	—	27	—	—
Development costs capitalised	(916)	(824)	(387)	(365)
Acquisition costs, net of cash received	(500)	(240)	(400)	336
Interest received	2	8	(6)	3
Net cash used in investing activities	(1,437)	(1,061)	(813)	(39)
Cash flows from financing activities				
Proceeds from issue of share capital	—	16	—	—
Repayment of long-term borrowings	(145)	(132)	(145)	—
Equity dividends paid	—	(572)	—	—
Interest paid	(26)	(30)	(13)	(18)
Net cash used in financing activities	(171)	(718)	(158)	(18)
Net (decrease)/increase in cash and cash equivalents	(1,095)	(2,064)	(1,267)	90
Cash and cash equivalents at beginning of the period	2,788	4,727	2,978	2,703
Exchange adjustments to cash and cash equivalents at beginning of the period	4	125	(14)	(4)
Cash and cash equivalents at end of the period	1,697	2,788	1,697	2,788

Consolidated Statement of Changes in Equity

For the twelve months ended 31 July 2017

	Share capital £'000	Share premium account £'000	Merger relief reserve £'000	Share option reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Total £'000
At 1 August 2016	94	3,053	2,407	173	(1)	6,436	12,162
Transfer of reserves	—	—	—	(76)	—	76	—
Share-based payment charge	—	—	—	50	—	—	50
Transactions with owners	—	—	—	(26)	—	76	50
Profit for the period	—	—	—	—	—	154	154
Other comprehensive income							
Currency translation differences	—	—	—	—	(14)	—	(14)
Total comprehensive income for the year	—	—	—	—	(14)	154	(140)
At 31 July 2017 - unaudited	94	3,053	2,407	147	(15)	6,666	12,352

For the year ended 31 July 2016

	Share capital £'000	Share premium account £'000	Merger relief reserve £'000	Share option reserve £'000	Currency translation reserve £'000	Retained earnings £'000	Total £'000
At 1 August 2015	82	3,037	1,159	155	(111)	5,885	10,207
Dividends	—	—	—	—	—	(572)	(572)
Issue of capital under share-based payment options	—	16	—	(34)	—	26	16
Share-based payment charge	—	—	—	52	—	—	52
Issue of share capital	12	—	1,248	—	—	—	1,260
Transactions with owners	12	16	—	18	—	(546)	756
Profit for the year	—	—	—	—	—	1,089	1,089
Other comprehensive income							
Currency translation differences	—	—	—	—	110	—	110
Total comprehensive income for the year	—	—	—	—	110	1,089	1,199
At 31 July 2016 - audited	94	3,053	2,047	173	(1)	6,436	12,162

Notes to the Interim Report

For the twelve months ended 31 July 2017

1. Corporate Information

Getech Group plc (the 'Company' and ultimate Parent of the Group) is a public limited company domiciled and incorporated in England and Wales. The Company's registered office and principal place of business is Kitson House, Elmete Hall, Elmete Lane, Leeds, LS8 2LJ.

The principal activity of the Group is the provision of geological services, reports and data to the petroleum and mining industries to assist in their exploration activities.

2. Basis of Preparation

The interim results are for the year to 31 July 2017. They have been prepared using the recognition and measurement principals of IFRS. As permitted, this interim report has been prepared in accordance with the AIM rules and not in accordance with IAS 34 'Interim Financial Reporting'.

This interim report does not constitute full statutory financial statements within the meaning of section 434(5) of the Companies Act 2006 and the financial statements are unaudited. The unaudited interim financial statements were approved for issue by the board on 31 October 2017.

The financial statements are prepared on a going concern basis under the historical cost convention with the exception of certain items measured at fair value and are presented to the nearest thousand pounds (£'000) except as otherwise stated. They have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year ended 31 July 2016. A copy of the audited financial statements for that year has been delivered to the Registrar of Companies. The Auditors' opinion on those financial statements was unqualified, did not draw attention to any matters by way of an emphasis of matter paragraph, and it contained no statement under section 498(2) or section 498(3) of the Companies Act 2006.

The Directors have instituted regular reviews of trading and cash flow forecasts and have considered the sensitivity of these forecasts with regards to different assumptions about future income and costs. With continued prospects for profitable trading, the Directors are fully satisfied that the Group is a going concern and will be able to continue trading for the foreseeable future.

3. Dividends

	12 months ended 31 July 2017 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Paid during the year		
No final dividend in respect of the year ended 31 July 2016 (year ended 2015: 1.74p per share)	—	572

There is no interim dividend proposed.

4. Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of the Ordinary Shares in issue in the period.

	12 months ended 31 July 2017 Unaudited £'000	Year ended 31 July 2016 Audited £'000
Profit attributable to equity holders of the Group	£154,000	£1,089,000
Weighted average number of Ordinary Shares in issue	37,562,415	33,490,032
Basic earnings per share	0.41p	3.25p
Diluted earnings per share	0.40p	3.17p

Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of the Ordinary Shares which would be in issue if all the options granted, other than those which are anti-dilutive, were exercised. The addition to the weighted number of the Ordinary Shares used in the calculation of diluted earnings per share for the twelve months ended 31 July 2017 is 529,466 (year ended 31 July 2016: 884,259).

Directors, Officers and Advisors

Directors and officers

Dr Stuart M. Paton

Non-executive Chairman

Peter F.H. Stephens

Non-executive Director

Dr Alison M. Fielding

Non-executive Director

Chris Flavell

Non-executive Director

Dr Jonathan M. Copus

Chief Executive Officer

Huw Edwards

Director

Andrew Darbyshire

Company Secretary

Registered office

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Elmete Lane

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Advisors

Nominated advisor and broker

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Solicitors

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Principal bankers

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