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Progility plc

("Progility" or "the Group")

Interim Results

Progility plc (AIM: PGY) the systems integrator and project management services firm is pleased to announce its Interim Results for the six months to 31 December 2014.

The results for the six months to 31 December 2014 show significant growth in sales, up just over 30% on the comparable period last year, but this does not reflect the scale of the Group we now have. Taking into account the recent acquisitions, the business has almost doubled in size compared to the beginning of the financial year.

Highlights – Strong revenue growth and significant expansion

- Revenues up to £24.4 million (2013: £18.6 million)
- Gross profit up to £7.8 million (2013: £5.3 million)
- Operating loss before highlighted items £0.1 million (2013: Loss £0.1 million)
- Gain on Indian acquisition included in income statement £3.2 million
- Profit before tax £1.5 million (2013: Loss £1.1 million)
- Underlying loss before tax £1.1million (2013: Loss £0.5 million)
- Operationally:
    - Gross margin improvement to 32% from 28%
- Three acquisitions since start of current financial year
    - On 11 July 2014 acquired Starkstrom Group Ltd for £9.7 million
    - On 30 December 2014 acquired Unify Enterprise Communications Pvt Ltd, an India based telecoms integrator for £0.8 million
    - On 5 January 2015 completed the acquisition of Woodspeen Training Ltd for £0.4 million

Wayne Bos, Executive Chairman, commented:

"Our strategic objective to grow the group has borne considerable fruit in the six month period under review. With the additions of Starkstrom and, at the end of the period, Unify Enterprise Communications in India and Woodspeen Training, the Group has all but doubled in size during the period.

While the results for the period do not contain contributions from either India or Woodspeen, nevertheless they do show revenues increased by over 30% and gross profit has improved by 47% over the comparable period in 2013.

As we have previously stated, however, the Group's performance is second-half weighted. The out-turn for the year to 30 June 2015 is heavily dependent on trading in the last four months of our year, which are critical months for sales across the major businesses of the Group, particularly in the UK and Australia.

We expect to continue our strategy of transformation and repositioning over the next six months."

Enquiries:

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Executive Chairman and Financial Review

Introduction

The results for the six months to 31 December 2014 show significant growth in sales, up just over 30% on the comparable period last year, but this does not reflect the scale of the Group we now have. Taking into account the recent acquisitions, the business has almost doubled in size compared to the beginning of the financial year.

Highlights

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This level of expansion is both exhilarating and sobering in equal measure. The potential for the future development of the business is exciting, particularly in the businesses we have acquired in the last 12 months.

Our strategic vision remains to build a technology-led project management business of scale with an increasing focus on exploiting the industry segments where we now have particular strength.

We should also recognise that as we expand our management requirements will be increased. But with increased scale our ability to attract the necessary talent will also improve.

Overview

The Group now has a significant business presence in the UK, India and Australia. From these platforms we are well placed to grow our businesses in the Middle East, Africa and Asia.

With scale, however, come other issues such as management, integration and re-positioning, which we can control, and others, such as exposure to currency movements and international economic and business trends, over which we have little or no control.

We have invested significant management time and money to position the business to address growth markets and improve our cost base which, we believe, will deliver future benefits. We expect the fruits of this work to become visible in the near term.

Strategic Development

In our strategic report as part of our Annual Report and Accounts for the year to 30 June 2014 we identified four key strategic objectives and measures of performance:

- Corporate Transaction Activity – to expand our presence in current markets and add value elsewhere
- Internal Growth – to increase growth from our broader product portfolio
- Brand recognition and corporate profile – to integrate our brands and increase brand awareness
- Developing Capability – promoting talent to ensure capacity to develop the business

We have made good progress in each of these areas.

Corporate Transaction Activity: The acquisition of Starkstrom Group Limited ("Starkstrom") has provided a new focus for our services in the international healthcare market. We believe that the acquisition of Unify Enterprise Communications Pvt Ltd in India, now known as Progility Technologies Pvt Ltd ("Progility India"), provides the group with a sophisticated platform which will not only add strength to the existing Progility Technologies offering in Australia but will also allow Starkstrom access to the significant Indian market. We believe that our acquisition of Woodspeen Training Limited ("Woodspeen") has extended our training capabilities in the UK to vocational skills and training for younger adults and will give us access to a new and important sector of the UK domestic training market.

Internal Growth: During the period Healthcare has become an important market vertical for us. Across the Group we now provide products and services to over 450 hospitals globally. We have done a great deal of work in the Middle East in training, consulting and health care. We believe this region will continue to drive organic growth within the Group. India is for us a new and exciting market and, while we do not underestimate the challenges of doing business in India, we believe it will become a further significant area driving organic growth across the Group. The UK also presents opportunities for further growth particularly in healthcare, training and recruitment.

Brand recognition and corporate profile: The Group now has a number of strong brands including ILX, Starkstrom and Woodspeen. Significant progress has also been made in the profile of the Progility brand and we have made considerable strides in the integration of our existing businesses to present "one Progility", an approach which is creating tangible results in forming deeper relationships with our larger customers through providing multiple lines of service to each of them.

Developing Capability: Our acquisitions during the period have each brought existing management teams. Where necessary these have been supported by additional recruitment. We aim to continue providing a rewarding and stimulating environment to strengthen our talent pool and capability. Obtaining appropriate talent to strengthen the Group's capability will be one of our future challenges as the group expands and improvements in the wider economy intensify competition for good people.

This level of growth comes at a cost however and these costs are reflected in our results.

Our acquisitions have been funded through borrowing from our largest shareholder which remains supportive of our activities. In addition, during the period the Group has invested further in integrating our new acquisitions and re-positioning our existing operations to maximise the benefits the business can provide.

The Group has again suffered some material adverse currency translation movement between the Australian Dollar and Sterling. The impact of the performance of the Australian economy on our Minerals and Energy division, in particular, has been disappointing, with, for instance, material projects being delayed as Chinese demand for iron ore has stagnated. On the other hand the reforming policies of Prime Minister Modi in India could, however, provide a welcome boost to our activities in that market. As we head into a UK general election we believe that spending in the healthcare and youth training sectors will remain a priority whatever the outcome.

Acquisitions

Starkstrom has been a trusted and leading supplier, in its areas of expertise, to the NHS and UK private hospitals for 40 years. Starkstrom designs, builds and supplies medical equipment for operating theatres and intensive care units from central control panels to ceiling pendants supplying power and medical gases, lighting and operating tables backed by uninterruptible and independent power supplies. Headquartered in Eastcote, North West London and with a manufacturing and assembly facility in Leicester, Starkstrom has 114 employees, including a national network of field engineers providing maintenance support.

Progility India is a systems integrator and independent solution provider specialising in communications infrastructure, applications and services for enterprise customers and is a Tier One reseller of Unify and Polycom communications products in Asia. Headquartered in Mumbai, Progility India employs around 240 people across 21 offices throughout India. It also operates an extensive distribution network in India, Bangladesh, Nepal, Bhutan and Sri Lanka.

Woodspeen provides training and skills development to unemployed learners and a range of apprenticeship and pre-apprenticeship programmes through a funding agreement with the Skills Funding Agency. It has recently been accredited as a grade 2 training provider by Ofsted. It currently operates in areas such as health & social care, business and administration, customer service, team leading, retail, IT, and manufacturing. With around 98 employees Woodspeen operates from premises in Bournemouth, Bradford, Brighton, Halifax and Huddersfield.

Summary of Results

The table below sets out a summary of our results:

	Unaudited six months ended 31 December 2014 £'000	**Unaudited restated six months ended 31 December 2013 £'000**
Revenue	24,438	18,634
Gross Margin	7,809	5,301
Operating loss before highlighted items	(56)	(66)
Highlighted items	2,557	(600)
Operating profit/(loss)	2,501	(666)
Finance costs	(1,038)	(481)
Profit/(Loss) before tax	1,463	(1,144)

For the six months to 31 December 2014 the Group delivered revenues of £24.4 million (2013: £18.6 million). Revenues were affected by a material adverse translation movement between the Australian Dollar and the UK pound, reducing revenues in this period by approximately £0.8 million

The impact from the fall in the Australian Dollar and comparatively weaker Australian economy has been felt both in the Progility Technology business and our Training/Consulting businesses located in Australia. While revenue has been maintained in our consulting business within the UK, the challenge has been to ensure we continue to develop new business relationships in the Training and Technology Solutions brands while keeping our costs under control. The cost of re-positioning these has been greater than expected.

Highlighted items

The Group incurred costs and achieved gains during the period which we have highlighted as non operating items. These include transaction costs, restructuring costs and other strategic, non-cash items. Acquisition costs relate to the three acquisitions made during the period. During the six months to 31 December 2014 we incurred transaction and restructuring costs of £413,000 and impairment and amortisation charges of £224,000.

In addition we have recognised a gain on the acquisition of Unify India, where the initial estimated fair value of assets and liabilities acquired exceeded the consideration by approximately £3.2 million. No provision has yet been made in respect of restructuring this business and any amount in this regard will be provided or incurred in the current half year.

We expect a certain level of non-recurring costs in the second half. We also expect the impact of our new business units in India and the UK to contribute only marginally to second half performance while we re-position them.

Operating performance

The Group's earnings before interest, depreciation, amortisation and transaction/restructuring costs were £0.48 million (2013: £0.28 million). The reconciliation is provided below:

	Unaudited six months ended 31 December 2014 £'000	**Unaudited restated six months ended 31 December 2013 £'000**
Profit/(loss) before tax	1,463	(1,147)
Add back/(deduct) highlighted items (Note 4)	(2,557)	600
	(1,094)	(547)
Add back		
Depreciation	311	154
Amortisation	224	188
Interest	1,038	481
Adjusted EBITDA	479	276

Cash flow, net debt and facilities

Cash flow

Cash generated from operating activities was £0.02 million (2013: £0.86 million outflow) largely as a result of debt repayment in Australia, transaction costs, restructuring costs and re-positioning activity. The Group continues to generate operating cash flow from its stock sales, maintenance agreements, e-commerce, cash sales and from advance payments from customers across the Group.

It is anticipated that the re-positioning investment will have a positive effect on future cash flow. The effectiveness of this investment will be reflected in its impact on the Group's international business development and on the take up of a wider platform of goods and services, once this is fully communicated to our customers.

The Group continues to invest in its product range and also incurred capital expenditure in the period relating to updates of the Starkstrom infrastructure and its internal systems and equipment to improve operating efficiency.

Net debt and facilities

The Group has optimised its use of cash while integrating its businesses and maintaining focus on its clients' requirements.

At the balance sheet date the Group's debt comprised £1.0 million by way of a fixed term facility, £2.0 million of invoice discounting facility, £2.7m of third party loan and £13.4 million of shareholder loans (including convertible loan notes) and standard bank overdraft of £0.3 million. At the same date the Group's cash and cash equivalents amounted to £4.6 million.

Shareholder loans

The Group's acquisitions have been funded entirely through the issue of 12% Notes which were listed on the Channel Islands Securities Exchange (CISE) in December 2014.

The subscriber for all of these notes has been DNY Investments Limited, a company which is an asset of the DNY Trust, a family trust of which Wayne Bos, Executive Chairman, is a discretionary beneficiary and of which Praxis Trustees Limited, the Company's controlling shareholder, is trustee. Praxis Trustees remain supportive of the Company's strategy.

Dividend

The Board does not recommend a dividend for the period ended 31 December 2014. Given the Group's strategic direction, the Board does not foresee the Company paying a dividend for the foreseeable future.

Outlook

The Board believes that the Group's operations in Australia, the UK, India and the Middle East will progress in the second half of the year.

As we have stated previously, the Group's performance is second-half weighted. In addition the second half will see contributions from both Woodspeen and Progility India. Nonetheless the outcome for the full year will continue to present challenges including the pace of delivery on major contracts in Australia and on-going improvements in the performance of the training business.

By order of the Board

Wayne Bos
Executive Chairman
26 March 2015

John McIntosh
Finance Director

Consolidated Statement of comprehensive income	Note	Unaudited six months ended 31 December 2014		Unaudited restated six months ended 31 December 2013		Audited 12 months ended 31 June 2014	
		£000		£000		£000	
Revenue		24,438		18,634		38,786	
Cost of Sales		(16,629)		(13,333)		(27,354)	
Gross profit		7,809		5,301		11,432	
Administrative expenses – excluding highlighted items		(7,865)		(5,367)		(8,784)	
Administrative expenses – highlighted items	4	2,557		(600)		(1,989)	
Total administrative expenses		(5,308)		(5,967)		(10,773)	
Operating profit/(loss) before highlighted items	3	(56)		(66)		2,648	
Administrative expenses- highlighted items	4	2,557		(600)		(1,989)	
Operating profit/(loss)	3	2,501		(666)		659	
Finance income		-		-		-	
Finance costs		(1,038)		(481)		(984)	
Profit/(Loss) before tax and highlighted items		(1,094)		(547)		1,664	
Highlighted items		2,557		(600)		(1,989)	
Profit/(Loss) before tax		1,463		(1,147)		(325)	
Tax (charge) benefit		-		356		11	
Profit/(Loss) for the period attributable to equity shareholders		1,463		(791)		(314)	
Other comprehensive income		(70)		(53)		(44)	
Total comprehensive profit/(loss)		1,393		(844)		(358)	
Earnings/(Loss) per share							
Basic	5	0.73	p	(0.40)	p	(0.16)	p
Diluted	5	0.71	p	(0.40)	p	(0.16)	p

Statement of Financial Position	**Unaudited six months ended 31 December 2014**	**Unaudited restated six months ended 31 December 2013**	**Audited 12 months ended 31 June 2014**
	£'000	£'000	£'000
Assets			
Non-current assets			
Property, plant and equipment	1,560	786	861
Intangible assets	19,811	12,188	11,503
Deferred tax asset	1,691	1,314	1,154
Total non-current assets	23,062	14,288	13,518
Current assets			
Inventories	5,092	3,163	3,251
Trade and other receivables	15,592	7,009	7,813
Other current assets	476	283	527
Income tax receivable	82	366	82
Cash and cash equivalents	4,607	1,402	1,798
Total current assets	25,849	12,223	13,471
Total assets	48,911	26,511	26,989
Current liabilities			
Trade and other payables	(14,648)	(10,407)	(10,802)
Contingent consideration	(400)	(691)	(30)
Provisions	(1,568)	(897)	(1,028)
Tax liabilities	(4,583)	-	(55)
Loans and overdrafts	(6,359)	(3,661)	(3,699)
Total current liabilities	(27,558)	(15,656)	(15,614)
Non-current liabilities			
Loans and overdrafts	(13,094)	(4,416)	(4,575)
Provisions	(167)	(162)	(128)
Total non-current liabilities	(13,261)	(4,578)	(4,703)
		-	
Total liabilities	(40,819)	(20,234)	(20,317)
		-	
Net assets	8,092	6,277	6,672
		-	
Issued share capital	19,967	19,967	19,967
Share premium	114	114	114
Other reserve	75	75	75
Merger reserve	(14,854)	(14,701)	(14,854)
Own shares in trust	(50)	(50)	(50)
Share option reserve	41	15	16
Retained earnings	2,997	965	1,534
Exchange differences arising on consolidation	(198)	(108)	(130)
Total equity	8,092	6,277	6,672

Cash flow statement	Note	Unaudited six months ended 31 December 2014	Unaudited restated six months ended 31 December 2013	Audited 12 months ended 31 June 2014
		£'000	£'000	£'000
Profit/(Loss) from continuing operations		2,501	(666)	659
Adjustments for:				
Depreciation		534	341	720
Loss on fixed asset disposal		-	-	52
Impairment		-	-	562
Share option charge		29	1	3
Movement in inventories		303	(1,309)	(1,359)
Movement in trade and other receivables		2,422	1,979	322
Movement in trade and other payables		(2,615)	(1,304)	(555)
Gain on acquisition	4	(3,223)	(39)	-
Exchange difference on consolidation		67	138	46
Cash generated from continuing operations		18	(859)	450
Income tax (paid)/recovered		(32)	(15)	9
Net cash generated from operations		(14)	(874)	459
Investing activities				
Purchases of property and equipment		(223)	(47)	(331)
Capitalised expenditure on product development		(37)	(37)	(126)
Acquisition of subsidiaries (net of cash acquired)		(5,185)	(67)	(160)
Net cash used in investing activities		(5,445)	(151)	(617)
Financing activities				
Proceeds from borrowings		9,243	-	3,379
Repayment of borrowings		(834)	(1,071)	(3,682)
Interest and refinancing costs paid		(135)	(170)	(216)
Net cash from financing activities		8,274	(1,241)	(159)
Net change in cash and cash equivalents		2,815	(2,266)	(317)
Cash and cash equivalents at start of period		1,533	1,916	1,916
Foreign exchange rate differences		(43)	-	(66)
Cash and cash equivalents at end of period		4,305	(350)	1,533
Cash equivalents:				
Cash in hand and at bank		4,607	1,402	1,798
Bank overdraft		(302)	(1,752)	(265)
		4,305	(350)	1,533

Notes to the unaudited accounts:

1. Basis of preparation and accounting policies

These interim financial statements are for the six months ended 31 December 2014. They have been prepared in accordance with IFRSs as adopted by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of Progility Plc for the period ended 30 June 2014. The financial information for the period ended 31 December 2013 set out in this interim report does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The Group's statutory financial statements for the period ended 30 June 2014 have been filed with the Registrar of Companies and can be found on the Group's website www.progility.com. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498(2) or Section 498(3) of the Companies Act 2006. These interim financial statements have been prepared under the historical cost convention as modified by the revaluation of derivative financial instruments. These interim financial statements have been prepared in accordance with the accounting policies detailed in the Group's financial statements for the year ended 30 June 2014 except as documented herein. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements. The interim financial statements are presented in Sterling (£), which is also the functional currency of the Company.

These interim financial statements have been approved for issue by the board of directors. It should be noted that accounting estimates and assumptions are used in preparation of the interim financial information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the interim financial information, are set out in note 2 to the interim financial information. In the future, actual experience may deviate from these estimates and assumptions

The consolidated financial statements include the financial statements of Progility Plc and its subsidiaries. There are no associates or joint ventures to be considered.

Consolidated financial statements (in relation to the merger of ILX Group plc with Progility Technologies Pty Ltd in October 2013) have been accounted for in these accounts using the principles of merger accounting with reference to UK Generally Accepted Accounting Practice (UK GAAP) which does not conflict with IFRS and reflects the economic substance of the transaction.

2. Accounting estimates and key judgements

The preparation of the interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances and constitute management's best judgment of conditions at the date of the financial statements. Key estimates and judgments relate to impairment analysis assumptions, revenue recognition over exam vouchers, stock movement and deferred tax assets. In the future, actual experience may deviate from these estimates and assumptions, which could affect the interim financial statements as the original estimates and assumptions are modified, as appropriate, in the period in which the circumstances change.

Key judgement – Merger Accounting

In forming its judgement as to the appropriateness of the use of merger accounting following the merger transaction with Progility Pty Ltd ("the Transaction") the Board considered whether common control was in place for each of the merging entities (ILX Group plc and Progility Pty Ltd) both prior to and after the completion of the transaction on 3 October 2013. Following the preparation of the Group's financial statements for the fifteen months to 30 June 2013 the Board adopted the wider definition of control under IFRS10 which takes into account other material influencing factors in addition to the consideration of an investor/shareholder's equity holding. Prior to the Transaction the significant shareholder in Progility Pty Ltd was Praxis Trustees with a holding of 73.47%, and therefore control existed. Prior to the Transaction Praxis Trustees also held 29.9% of ILX Group plc in addition to holding convertible debt of £0.4 million. The importance of Praxis Trustees investment into the Group in August 2012 and its subsequent issue of convertible debt provided material additional influence over ILX Group plc to ensure its management's objective of restructuring and repositioning the Group was given a strong platform for success. Consequently taking all the factors together with the guidance provided in IFRS10 the Board has concluded that IFRS 3 would not apply, and that common control was in place both prior to and after the Transaction.

Key judgement - Goodwill

In respect of acquisitions, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus the recognised amount of any non-controlling interests in the acquired; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, the negative goodwill is recognised immediately in profit or loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Key judgement – Going concern

The Directors, after making enquiries of its loan note holders, considering its financing arrangements and based on its cash flow projections, have a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

3. Segmental reporting

In accordance with IFRS 8 the Group's operating segments are based on the reports reviewed by the Executive Directors that are used to make strategic decisions.

The Group reports its results in two segments:-

Northern Operations - The Group's Northern Hemisphere operations comprise operations in the UK and Ireland, the United States, Europe and the Middle East, which were managed and directed during the period under review from the London office.

Southern Operations – The Group's Southern Hemisphere operations comprise operations in Australia and New Zealand, which are managed and directed by the Melbourne office.

The Northern Hemisphere provides training, recruitment and consultancy services and the activities of Starkstrom. The Southern Hemisphere segment provides training, consulting services and technology solutions goods and services and will include the activities of the Indian business acquired at the end of 2014.

Segment profit or loss consists of earnings before interest, tax and highlighted items. This measurement excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs and purchased intangibles amortisation. Interest income and expenditure are not allocated to segments as this type of activity is driven by the central treasury activities, which manages the cash position of the Group.

Unaudited six months ended 31 December 2014

	Northern Hemisphere £000	Southern Hemisphere £000	Reportable Segments £000	Unallocated £000	Total £000
Revenue	12,075	12,363	24,438	-	24,438
Operating profit before highlighted items	897	1,686	2,583	(2,639)	(56)

Unaudited restated six months ended 31 December 2013

	Northern Hemisphere £000	Southern Hemisphere £000	Reportable Segments £000	Unallocated £000	Total £000
Revenue	5,930	12,704	18,634	-	18,634
Operating profit before highlighted items	857	1,345	2,202	(2,268)	(66)

Year ended 30 June 2014

	Northern Hemisphere £000	Southern Hemisphere £000	Reportable Segments £000	Unallocated £000	Total £000
Revenue	13,400	25,386	38,786	-	38,786
Operating profit before highlighted items	2,732	3,154	5,886	(3,238)	2,648

A reconciliation of segment operating profit to total profit before tax is set out below:-

	Unaudited six months ended 31 December 2014 £'000	Unaudited six months ended 31 December 2013 £'000	Audited 12 months ended 31 June 2014 £'000
Reportable segment operating profit before highlighted items	2,583	2,202	5,886
Unallocated costs:	(2,639)	(2,268)	(3,238)
Operating (loss)/profit before highlighted items	(56)	(66)	2,648
Highlighted items	2,557	(600)	(1,989)
Operating profit/(loss)	2,501	(666)	659
Net finance costs	(1,038)	(481)	(984)
Profit/(loss) before tax	1,463	(1,147)	(325)

Unallocated costs comprise central costs that are not considered attributable to the segments.

4. Highlighted items

The Group incurred costs during the period which we have highlighted as non-operating costs. These costs include transaction costs, restructuring costs and other strategic, non-cash items including amortization of intangibles, impairment, or non-recurring acquisition expenses and non-trading items. This has resulted in the following charges and intangibles impairment as follows:

	Unaudited six months ended 31 December 2014 £'000	Unaudited six months ended 31 December 2013 £'000	Audited 12 months ended 31 June 2014 £'000
Non-cash share option charge	(29)	(1)	(3)
Restructuring costs incurred	(102)	-	-
Acquisition and merger costs	(311)	(450)	(1,072)
Negative goodwill/(impairment of intangibles)	3,223*	39	(562)
Amortisation charges	(224)	(188)	(352)
Total highlighted costs	2,557	(600)	(1,989)

***** This amount represents the surplus of net assets in connection with the acquisition of Progility India after recognising the amount (an intial estimate of fair value) of the identifiable assets and liabilities acquired over the consideration paid.

5. Profit per share

This has been calculated on the profit for the period of £1,463,000 (2013: Loss £791,000). The number of shares on an undiluted basis is 199,666,880, being the weighted average number of shares in issue during the period. The number of shares on a diluted basis in the period to 31 December 2014 is 211,347,649.

6. Dividends

No dividend is proposed for the six months ended 31 December 2014.

7. Copies of Interim financial statements

The Interim Results will be posted on the Company's web site www.progility.com