Progility plc
("Progility" or "the Group")

Interim Results

Progility plc (AIM: PGY) the Professional Services, Healthcare and Communications firm is pleased to announce its Interim Results for the six months to 31 December 2017.

The results for the six months to 31 December 2017 have shown a decrease in sales, down by 8.9% over the first half of last year. The businesses' performance continues to be reported in three segments; Professional Services (comprising the training and recruitment businesses), Healthcare (comprising Starkstrom) and Communications (which is comprised of our communications technology businesses in India and Australia). Professional Services revenues decreased in the period by 7.9% and Communications by 13.6%, whilst Healthcare increased 3.2%.

Highlights from continuing operations

- Revenues down 8.9% to £33.2 million (2016: £36.4 million)
- Reported Operating profit before one-off items £1.0 million (2016: £1.6 million)
- One-off items incurred - project overruns in Healthcare (£0.37 million)) and one-off consultancy costs (£0.2 million)
- Operating profit before one-off items £1.6 million (2016: £1.6 million)
- Loss before tax £0.9 million (2016: Profit before tax £0.03 million)
- Gross profit margin of 34.0% (2016: 34.9%)
- Operating profit margin of 3.0% (2016: 4.5%)
- Impact of FX year on year is minimal on sales and on operating loss
- Further reduction in Central corporate costs

Wayne Bos, Executive Chairman, commented:

"The last six months have seen a slight decline in the performance of the Group as a whole. Gross profit margins have fallen compared to the previous year, due to one-off items, however improved efficiencies and savings in Central corporate costs have reduced the decrease in the operating profit margin.

In my statement in the 2017 Annual Report I referred to a focus during the current financial year on embedding greater operational controls and efficiencies, which might cause our progress to be held back in the current year. During the first half of the year, the Group incurred one-off costs totalling £568k, of which £364k arose in Healthcare and relates to historic contracts which were not adequately specified and which our improved operational controls would not have permitted.

Overall, without these costs, gross margins would have been maintained at 35.1% (2016: 34.9%) and operating profit would have been £1.6m (2016: £1.6m).

In Professional Services, revenue increased in the ILX business in UK, Australia and New Zealand, but fell in the Middle East. Revenue fell in the recruitment businesses. Overall operating profitability fell from £0.74m to £0.58m.

The UK-based Starkstrom Healthcare business increased revenue 3.2% to £6.4m, but operating profits have fallen to £0.014m. There have been significant changes in the senior management team at Starkstrom, leading to increased recruitment and one-off consultancy costs of £153k. Starkstrom also incurred £364k of costs on project overruns. Without these one-off costs, Starkstrom's financial performance would have been broadly the same as last financial year. The new team has reviewed all aspects of the business and has taken steps in early 2018 to reduce costs.

In Communications, revenue has fallen by 13.6% and operating profit by 22.7%. Australia's revenue is down 12.3% whilst operating profit is up 65%. This has been achieved through significant reduction in staff costs. A new senior management team has been appointed along with an experienced management consultant.

India's revenue is down 14.5%, due largely to the impact of the introduction of GST in July 2017. At the same time gross profit margin has increased by 1.9% and overheads have been tightly controlled. Operating profit margin has fallen from 5% to 2.6% as result of the revenue shortfall. The second half of the year may be impacted by exceptional redundancy costs estimated at $300k AUD.

Central corporate costs have been reduced by 29.2% from the prior year, a direct result of measures taken to reduce corporate activity and greater efficiencies in the management of the group.

Overall, we will continue to pursue our strategic objectives, seek means to reduce costs and increase revenues, and to improve performance across all areas of the business. There have been important changes in the leadership of the individual businesses which will drive forward positive changes in performance.

The second half of the year is expected to be impacted by the continuing focus on operational controls and efficiencies. The changes in the leadership in the individual business units are however not expected to show benefits until the next financial year."

Executive Chairman and Financial Review

Introduction

The results for the six months to 31 December 2017 have shown a decrease in sales, down by 8.9% over the prior period. The businesses' performance continues to be reported in three segments; Professional Services (comprising the training and recruitment businesses), Healthcare (comprising Starkstrom) and Communications (which is comprised of our communications technology businesses in India and Australia). Professional Services revenues decreased in the period by 7.9% and Communications by 13.6%, whilst Healthcare increased 3.2%.

Highlights from continuing operations

- Revenues down 8.9% to £33.2 million (2016: £36.4 million)
- Reported Operating profit before one-off items £1.0 million (2016: £1.6 million)
- One-off items incurred - project overruns in Healthcare (£0.37 million) and one-off consultancy costs (£0.2 million)
- Operating profit before one-off items £1.6 million (2016: £1.6 million)
- Loss before tax £0.9 million (2016: Profit before tax £0.028 million)
- Gross profit margin of 34.0% (2016: 34.9%)
- Operating profit margin of 3.0% (2016: 4.5%)
- Impact of FX year on year is minimal on sales and on operating loss
- Further reduction in Central corporate costs

Overview and summary of results

The last six months have seen a slight decline in the performance of the Group as a whole. Gross profit margins have fallen compared to the previous year, due to one-off items, however improved efficiencies and savings in Central corporate costs have reduced the decrease in the operating profit margin.

In my statement in the 2017 Annual Report I referred to a focus during the current financial year on embedding greater operational controls and efficiencies, which might cause our progress to be held back in the current year. During the first half of the year, the group incurred one-off costs totalling £568k, of which £364k arose in Healthcare and relates to historic contracts which were not adequately specified and which our improved operational controls would not have permitted.

Overall, without these costs, gross margins would have been maintained at 35.1% (2016: 34.9%) and operating profit would have been £1.6m (2016: £1.6m).

Market conditions have improved in Australia, and the Indian operations continue to deliver positive results, despite the impact of fiscal changes (GST) introduced in July 2017 There are challenges to face in Professional Services where revenue has fallen by 7.9%. The current period saw no acquisitions or disposals, thereby allowing the management to focus on the existing businesses and their individual operating performance. Starkstrom in the Health sector has slightly improved in revenue but not in profit terms.

The geographic spread of our Group has been helpful to a developing business, particularly in the digital age; it allows access for our offerings to more markets, as is clearly illustrated with the international spread of the project management training business.

Our business continues to be managed through three business segments to maximize our ability to communicate and to deliver our full range of products and expertise to our key clients' decision makers across the diverse territories and time zones in which we operate. These three segments reflect the management responsibility and accounting arrangements used to manage and report upon the performance of the business. Key performance indicators (KPIs) for each business are revenue, gross profit margin and earnings before interest, taxation, depreciation and amortisation (EBITDA).

Summary of results and operating performance from continuing operations

The table below sets out a summary of our results:

	Unaudited six months ended 31 December 2017 £000	Unaudited six months ended 31 December 2016 £000
Revenue	33,244	36,486
Gross profit	11,327	12,736
Operating profit	1,007	1,628
Net finance costs	(1,816)	(1,600)
Profit / (loss) before tax	(809)	28

Professional Services

Professional Services' revenues declined 7.9% against prior year, from £7.72m to £7.11m. Revenue increased in the ILX business in UK, Australia and New Zealand but fell in the Middle East. Revenue fell in the recruitment businesses. Overall operating profitability fell from £0.74m to £0.58m.

Revenue declined in the current period, a result of pricing pressures in the UK ILX business and also a decline in the knowledge information management sector of the recruitment market. Further afield the ILX Australian and New Zealand based businesses reported improvement in both revenues and profits whilst the Dubai business declined.

Healthcare

The UK-based Starkstrom Healthcare business increased revenue 3.2% to £6.4m, but operating profits have fallen to £0.014m. There have been significant changes in the senior management team at Starkstrom, leading to increased recruitment and consultancy costs of £153k. Starkstrom also incurred £364k of costs on project overruns. Without these one-off costs, Starkstrom's financial performance would have been broadly the same as last financial year. The new team has reviewed all aspects of the business and has taken steps in early 2018 to reduce costs.

Communications

Revenue has fallen 13.6% to £19.7m and 22.7% in operating profit terms to £0.6m compared to the prior period. Australia's revenue is down 12.3% whilst operating profit is up 65%. This has been achieved through significant reduction in staff costs. A new senior management team has been appointed along with an experienced management consultant.

India's revenue is down 14.5%, largely due to the impact of the introduction of GST in July 2017. At the same time gross profit margin has increased by 1.9% and overheads have been tightly controlled. Operating profit margin has fallen from 5% to 2.6% as result of the revenue shortfall.

Central corporate costs have been reduced by 29.2% from the prior year, a direct result of measures taken to reduce corporate activity and greater efficiencies in the management of the Group. Central corporate costs totalled £0.4m in the period, compared to £0.57m in the prior year, and to £0.94m the year before that.

The operating profit from continuing business in the period was £1.0m, compared to £1.63m in the prior period. There are no items being highlighted in either the current reporting period or the same period last year.

The net interest charge rose to £1.8m (2016 £1.6m), resulting in a loss before tax of £0.81m for the six months to December 2017 (2016: profit before tax £0.03m).

The tax charge in the period was £0.4m (2016 £0.31m), relating to corporation tax on profits in India, New Zealand and Australia.

There were discontinued operations in the current period in Woodspeen Training, which is the final run-off of its Southern England operations, resulting in a £46k loss after tax (2016: Loss after tax of £5k).

Cash flow, net debt and facilities

Cash generated from operations in the period was £0.39m (2016: £0.38m).The Group generates operating cash flow from its product sales, and service maintenance contracts. Capital expenditure was £0.12m (2016: £0.30m) on Property Plant and Equipment and £0.02m (2016: £0.03m) on product development. In the prior year there was the final £0.68m deferred payment for the acquisition of Starkstrom, but there is no such item this year.

Repayments on financing activities on borrowings and interest were £0.9m whereas last year on the contrary net new loans and interest were £0.1m.

At the balance sheet date the Group's debt facilities, including unpaid interest, comprised £0.3m of invoice discounting facility (2016 £1.14m) and £27.2m of shareholder loans (including convertible loan notes) (2016 £24.3m).

At the same date the Group's cash and cash equivalents amounted to £2.37m (2016 £2.93m).

Shareholder loans

The Group's acquisitions have been funded in recent years entirely through the issue of 12% loan notes which are listed on the Channel Islands Stock Exchange.

The subscriber for all 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 Group's strategy.

Dividend

The Board does not recommend a dividend for the period ended 31 December 2017. Given the Group's strategic direction and historic financial performance, the Board does not envisage the Company's paying a dividend for the foreseeable future~~.~~

Financial Structure

Whilst continuing to pursue our strategic objectives, to reduce costs and increase revenues, and to improve performance across all areas of the business, we are also looking to address the Group financial structure to meet the Group's future needs and will report to shareholders as and when appropriate.

Overall, we will continue to pursue our strategic objectives, seek means to reduce costs and increase revenues, and to improve performance across all areas of the business. There have been important changes in the leadership of the individual businesses which will drive forward positive changes in performance.

The second half of the year is expected to be impacted by the continuing focus on operational controls and efficiencies. The changes in the leadership in the individual business units are however not expected to show benefits until the next financial year.

By order of the Board

Wayne M Bos
Executive Chairman

28 March 2018

Unaudited consolidated statement of Comprehensive Income for the six months ended 31 December 2017

		Unaudited six months ended 31.12.2017	Unaudited six months ended 31.12.2016	Audited year ended 30.06.17
Continuing operations	Note	£000	£000	£000
Revenue	3	33,244	36,486	74,682
Cost of Sales		(21,917)	(23,750)	(50,141)
Gross profit		11,327	12,736	24,541
Administrative and distribution expenses – excluding highlighted items		(10,320)	(11,108)	(22,095)
Administrative and distribution expenses – highlighted items		-	-	1,000)
Total administrative and distribution expenses		(10,320)	(11,108)	(21,095)
Operating (loss)/profit before highlighted items		1,007	1,628	2,446
Highlighted items		-	-	1,000
Operating (loss)/profit		1,007	1,628	3,446
Finance income		57	74	132
Finance costs		(1,873)	(1,674)	(3,458)
(Loss)/profit before tax and highlighted items		(809)	28	(880)
Highlighted items		-	-	1,000
(Loss)/profit before tax		(809)	28	120
Tax charge		(416)	(306)	(568)
(Loss)/profit after tax		(1,225)	(278)	(448)
Discontinued operation				
(Loss)/profit after tax from discontinued operations	4	(46)	(5)	1
(Loss)/profit for the period attributable to equity shareholders		(1,271)	(283)	(447)
Items that may be reclassified to profit or loss				
Currency translation differences on foreign operations		(222)	440	600
Other comprehensive income, net of tax		(222)	440	600
Total comprehensive (loss)/profit		(1,493)	157	153
(Loss)/earnings per share restated				
Basic and Diluted	5	(79.55)p	(17.38)p	(28.02)p

Unaudited consolidated statement of Financial Position as at 31 December 2017

	Unaudited As at 31.12.2017 £000	Unaudited As at 31.12.2016 £000	Audited As at 30.6.2017 £000
Assets			
Non-current assets			
Property, plant and equipment	785	1,097	937
Intangible assets	19,423	19,527	19,535
Deferred tax asset	806	839	825
Total non-current assets	21,014	21,463	21,297
Current assets			
Inventories	3,942	4,389	3,927
Trade and other receivables	17,814	18,040	17,837
Other current assets	3,313	3,288	3,088
Tax receivable	-	-	-
Cash and cash equivalents	2,374	2,930	3,305
Total current assets	27,443	28,647	28,157
Total assets	48,457	50,110	49,454
Current liabilities			
Trade and other payables	(24,473)	(24,071)	(23,797)
Deferred consideration	-	-	-
Provisions	(2,127)	(2,694)	(2,144)
Tax liabilities	(624)	(205)	(443)
Bank and shareholder loans	(707)	(1,521)	(1,261)
Total current liabilities	(27,931)	(28,491)	(27,645)
Non-current liabilities			
Shareholder loans	(19,513)	(19,039)	(19,302)
Deferred tax liability	(186)	(217)	(186)
Provisions	(99)	(142)	(100)
Total non-current liabilities	(19,798)	(19,398)	(19,588)
Total liabilities	(47,729)	(47,889)	(47,233)
Net assets	728	2,221	2,221
Issued share capital	19,967	19,967	19,967
Share premium	114	114	114
Other reserve	75	75	75
Merger reserve	(14,854)	(14,854)	(14,854)
Own shares in trust	(2)	(2)	(2)
Share option reserve	57	47	57
Retained earnings	(5,338)	(3,897)	(4,067)
Foreign currency translation reserve	709	771	931
Total equity	728	2,221	2,221

Unaudited consolidated Cash Flow Statement for the six months ended 31 December 2017

	Unaudited Six months ended 31.12.2017	Unaudited Six months ended 31.12.2016	Audited Year ended 30.6.2017
	£000	£000	£000
Operating profit/(loss)	961	1,623	3,446
Adjustments for:			
Depreciation and amortisation	351	395	743
Loss on fixed asset disposal	-	-	-
Impairment of intangibles	-	-	-
Gain on bargain purchase	-	-	-
Share option charge	-	11	22
(increase) in inventories	(57)	(949)	(499)
(increase) in trade and other receivables	(563)	(2,314)	(2,077)
Increase/(decrease) in trade and other payables	(200)	1,755	(276)
Exchange difference on consolidation	(97)	(142)	31
Cash generated from operations	395	379	1,390
Income tax paid	(227)	(360)	(357)
Net cash generated from operations	168	19	1,033
Investing activities			
Interest received	57	73	132
Purchases of property and equipment	(121)	(305)	(465)
Capitalised expenditure on product development	(17)	(28)	(80)
Acquisition of subsidiaries (net of cash acquired)	-	(681)	(681)
Net cash used in investing activities	(81)	(941)	(1,094)
Financing activities			
Proceeds from borrowings	-	191	-
Repayment of borrowings	(611)	-	(347)
Interest costs paid	(352)	(88)	(28)
Net cash from financing activities	(963)	103	(375)
Net change in cash and cash equivalents	(876)	(819)	(436)
Cash and cash equivalents at start of period	3,305	3,564	3,564
Foreign exchange rate differences	(55)	185	177
Cash and cash equivalents at end of period	2,374	2,930	3,305
Cash and cash equivalents comprise:			
Cash in hand and at bank	2,374	2,930	3,305
Bank overdraft	-	-	-
	2,374	2,930	3,305

Unaudited consolidated Statement of Changes in Equity for the six months ended 31 December 2017

Group	Called up share capital £'000	Share premium account £'000	Other reserve £'000	Merger reserve £'000	Own shares in trust £'000	Share option reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total £'000
As at 30.6.2016	**19,967**	**114**	**75**	**(14,854)**	**(2)**	**42**	**331**	**(3.620)**	**2,053**
Options granted	-	-	-	-	-	11	-	-	11
Options lapsed and waived	-	-	-	-	-	(6)	-	6	-
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**5**	**-**	**6**	**11**
Profit for the year	-	-	-	-	-	-	-	(283)	(283)
Other comprehensive income:									
Foreign currency translation adjustment	-	-	-	-	-	-	440	-	440
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**440**	**(283)**	**157**
As at 30.12.2016	**19,967**	**114**	**75**	**(14,854)**	**(2)**	**47**	**771**	**(3,897)**	**2,221**

Group	Called up share capital £'000	Share premium account £'000	Other reserve £'000	Merger reserve £'000	Own shares in trust £'000	Share option reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total £'000
As at 30.6.2017	**19,967**	**114**	**75**	**(14,854)**	**(2)**	**57**	**931**	**(4,067)**	**2,221**
Options granted	-	-	-	-	-	-	-	-	-
Options lapsed and waived	-	-	-	-	-	-	-	-	-
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the year	-	-	-	-	-	-	-	(1,271)	(1,271)
Other comprehensive income:									
Foreign currency translation adjustment	-	-	-	-	-	-	(222)	-	(222)
roundings									
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(222)**	**(1,271)**	**(1,493)**
As at 30.12.2017	**19,967**	**114**	**75**	**(14,854)**	**(2)**	**57**	**709**	**(5,338)**	**728**

Notes to the unaudited accounts:

1. Basis of preparation and accounting policies

These interim financial statements are for the six months ended 31 December 2017. They have been prepared based on the measurement and recognition principles of International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and IFRC interpretations issued and effective at the time of preparing these statements. 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 year ended 30 June 2017. The financial information for the period ended 31 December 2017 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the period ended 30 June 2017 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 2017 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.

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 - 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 the profit and loss. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Notes to the unaudited accounts *(continued):*

2. Accounting estimates and key judgements *(continued)*

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 three segments:-

Professional Services - The Group's Professional operations comprise the training, recruitment and consultancy activities operating in the UK, Dubai, Australia and New Zealand.

Healthcare – The Group's Health operations comprise the activities of Starkstrom Limited.

Communications – The Group's Communications operations comprise the technology solutions goods and services businesses which operate in Australia and India.

Central corporate costs comprise Head Office functions, including Finance, Treasury and Human Resources

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.

Notes to the unaudited accounts *(continued):*

4. Segmental reporting *(continued)*

	Six months ended 31.12.2017		Six months ended 31.12.2016		Year ended 30.6.2017	
	Revenue	Segment Profit/ (loss)	Revenue	Segment Profit/ (loss)	Revenue	Segment Profit/ (loss)
	£'000	£'000	£'000	£'000	£'000	£'000
Professional services	7,113	580	7,719	737	15,726	1,278
Healthcare	6,455	140	6,255	622	14,281	1,433
Communications	19,718	642	22,810	831	45,091	688
Elimination of Professional Services discontinued operations	(42)	46	(298)	5	(416)	(1)
Central corporate costs		(401)		(567)		(952)
Total segmental result	33,244	1,007	36,486	1,628	74,682	2,446
Highlighted items		-		-		1,000
Operating profit from continuing operations		1,007		1,628		3,446
Net finance costs		(1,816)		(1,600)		(3,326)
Profit before tax from continuing operations		(809)		28		120
Adjusting for highlighted items						
Reversal of provisions – Non-recurring,		-		-		(1,000)
Impairment charges – Non-recurring		-		-		-
		-		-		(1,000)

	As at 31.12.2017		As at 31.12.2016		As at 30.6.2017	
	Segmental assets	Segmental liabilities	Segmental assets	Segmental liabilities	Segmental assets	Segmental liabilities
	£'000	£'000	£'000	£'000	£'000	£'000
Professional services	24,470	26,820	22,052	24,979	23,021	26,486
Healthcare	4,950	3,690	3,510	3,757	3,746	3,791
Communications	19,037	17,219	24,548	19,153	22,687	16,956
Total	48,457	47,729	50,110	47,889	49,454	47,233

4. Discontinued operations

In February 2016, Woodspeen Training Limited, part of the Group's Professional Services sector, decided to discontinue operations in the south of England and provide all training services in the north of the country. The revenues, expenses and pre-tax profit of the discontinued operations for the current period and the prior period are detailed below.

5. Discontinued operations *(continued)*

	Six months ended 30.12.2017 £'000	Six months ended 30.12.2016 £'000
Revenue	42	298
Expenses	(88)	(303)
Pre-tax loss	(46)	(5)
Taxation	-	-
Post-tax loss	(46)	(5)
Basic and diluted loss per share from discontinued operations	-	-

5. Loss per share

This has been calculated on the loss for the period of £1,070,631 (2016: Loss £283,000) and the number of shares used was 1,597,332 as restated (2016: 1,597,332), being the restated number of share in issue at the end of the period.
The ordinary shares were reorganized on 22 Dec 2017 with 199,666,880 shares of £0.10 being converted into 399,333 of £50 each, which were then amended to become 1,597,332 ordinary shares of £0.0025 and 399,333 deferred shares of £49.99.

Consequently at 31 Dec 2017 the number of ordinary shares now in issue is 1,597,332.

6. Dividends

No dividend is proposed for the six months ended 31 December 2017.

7. Loan Notes

The unsecured convertible 12 % loan notes issued by Progility Plc with a redemption date of 31.12.2017 have been varied to extend the redemption date to 31.12.2019 on the same terms as the original agreement.

8. Copies of Interim financial statements

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