

**STATPRO GROUP PLC**  
 (“StatPro”, “the Company” or the “Group”)

**Preliminary Results for the Year ended 31 December 2009**

StatPro Group plc (AIM:SOG), the AIM listed provider of portfolio analytics and data solutions for the global asset management industry, today announces its unaudited preliminary results for the year ended 31 December 2009.

	Year ended 31 December 2009 Unaudited	Year ended 31 December 2008 Audited	Change
Revenue	<b>£31.56 million</b>	£27.87 million	+13%
Profit before tax	<b>£7.37 million</b>	£1.29 million	+471%
Adjusted profit before tax*	<b>£6.90 million</b>	£4.67 million	+48%
Adjusted EBITDA*	<b>£8.63 million</b>	£6.75 million	+28%
Adjusted operating profit margin*	<b>24.7%</b>	22.1%	
Annualised recurring contract value (constant currency)	<b>£28.42 million</b>	£27.87 million	+2%
Contracted revenue ** (constant currency)	<b>£48.1 million</b>	£37.3 million	+29%
Earnings per share – basic	<b>9.3p</b>	1.8p	+417%
– adjusted*	<b>9.0p</b>	7.0p	+29%
Dividend per share – total for year	<b>2.1p</b>	1.75p	+20%

**Financial Highlights:**

- Recognised recurring revenue up 19% amounting to 93% (2008: 89%) of total revenue
- Adjusted EBITDA\* increased by 28% to £8.63 million (2008: £6.75 million)
- Adjusted profit before tax\* increased by 48% to £6.90 million (2008: £4.67 million)
- Adjusted earnings per share\* increased by 29% to 9.0p (2008: 7.0p)
- Free cash flow\*\*\* increased by 123% to £6.27 million (2008: £2.82 million)
- Net debt reduced significantly to £8.89 million at 31 December 2009 (2008: £14.62 million)
- Total dividend increased by 20% to 2.1p (2008: 1.75p)

**Operational Highlights:**

- Excellent progress on implementing hosting strategy with 20% of analytics revenue now on StatPro Seven™ platform
- Continued investment in StatPro Revolution™, aimed at new broader market tier, to be launched in March 2010
- Agreement signed with JSE in January 2010 to relinquish non-core project resulting in US\$4.08 million (£2.5 million) cash injection reducing proforma net debt at 31 December 2009 to £6.4 million

\* Adjusted profit before tax, adjusted earnings per share, adjusted operating profit and adjusted EBITDA are profit before tax, earnings per share, operating profit and EBITDA after adjustment for amortisation of acquired intangibles, share based payments and exceptional items (notes 3 and 9)

\*\* Contracted revenue is revenue committed at year end under non-cancellable contracts

\*\*\* Free cash flow is defined as cash generated from operations less net interest, tax, capex and investment in internally generated intangible assets (note 6)

**Justin Wheatley, Chief Executive, commented:** “These results show that StatPro has built a strong and profitable niche business in the global financial sector with a highly predictable revenue stream from a large base of recurring revenue contracts. With a weighted average contract length of 20 months, this recurring revenue continues to provide us with great visibility. This combined with the launch of our new products, this gives us confidence that we can continue to grow our revenue and our profits in the coming year and are well positioned for continued growth.”

- Ends -

**For further information, please contact:**

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***A briefing for analysts on the results  
and a demonstration of StatPro Revolution™ will be held at 9.00am today at the offices of  
ICIS, 3rd Floor, Aldermary House, 10-15 Queen Street, London, EC4N 1TX***

**About StatPro**

StatPro is a leading provider of portfolio analytics and data solutions for the global asset management industry. The Company sells a SaaS-based Analytics and Data platform on a rental basis to investment management companies allowing them to analyse portfolio performance, attribution, risk and GIPS® compliance. StatPro also provides market data and valuation feeds including a Complex Asset Pricing service.

StatPro has grown its recurring revenue from less than GBP 1 million in 1999 to GBP 28.4 million at end December 2009. StatPro floated on the London Stock Exchange in May 2000 and transferred its listing in June 2003 to AIM. The Group has operations in Europe, North America, South Africa and Australia, with approximately 75% of recurring revenues being generated outside the UK.

## **CHIEF EXECUTIVE'S REVIEW**

### **Overview**

In 2009 StatPro has performed extremely well and these results show a marked improvement in all key financial performance indicators. In addition, the Company has strengthened its position as a leading provider of analytics and data to the global asset management industry ensuring it is well poised for entry into new markets. We therefore believe 2010 will be another year of growth.

### **Financial Highlights**

We had a successful year in 2009 with strong cash generation and profits growth. Adjusted profit before tax rose 48% to £6.90 million (2008: £4.67 million) and free cash flow (note 6) rose 123% to £6.27 million (2008: £2.82 million). This enabled us to pay down significantly our debt and we finished the year with net debt of £8.89 million (2008: £14.62 million). With our adjusted EBITDA at £8.63 million (2008: £6.75 million) our gearing (net debt/adjusted EBITDA) has been brought down to 1.0 (2008: 2.2). The post balance sheet sale to the Johannesburg Stock Exchange of the JSE project source code for £2.5 million resulted in net debt of approximately £6.4 million on a proforma basis at 31 December 2009. Revenue grew 13% to £31.56 million (2008: £27.87 million) despite a reduction in consulting revenue of 32% to £2.12 million (2008: £3.11 million) as clients delayed expenditure for upgrades in response to the global recession.

### **Market**

Activity levels are high in the asset management industry as these businesses look to streamline operations and improve services to their clients whilst complying with new regulation. As we predicted, M&A activity resulted in a slightly lower than usual renewal rate of 90% (2008: 94%). Nevertheless, the same activity also resulted in new business for StatPro within the UK, South African, European and North American markets which are all performing well. Accordingly, net contracted revenue grew £10.8 million to £48.1 million over the period. With our increased sales teams in both North America and Europe we expect to build on this success during 2010.

Another key measure of the success of our hosting strategy is that, as a proportion of analytics revenue, 20% of our clients are on our new Software as a Service ("SaaS") platform, up from approximately 10% at the start of 2009. In addition, there is a large pipeline of existing clients that want to make the move to SaaS giving us confidence that many more clients will convert this year to take advantage of the great value we are offering.

Another market factor in our favour is asset managers benefitting from the increase in savings rates across all markets as people worry about their pensions and future savings. We believe that there will be strong competition between asset managers to win assets and the key to this will be their performance and risk management as well as how they report it.

StatPro's addressable market is now getting much bigger. StatPro conducted research into the global asset management market in the fourth quarter of 2009 to quantify the number of asset managers, hedge funds, pension funds, wealth managers, custodian banks and financial advisors globally and what level of assets they manage or advise on. We have estimated that there are well over 7,000 organisations with assets under management over \$500 million and a further 23,000 with assets of less than \$500 million. The vast majority of these businesses do not have access to high quality analysis of their performance as existing services are generally too expensive and complicated to maintain. StatPro's traditional market has been the top 1,000 asset managers with assets under management of over US\$5 billion but with our new services we aim to extend our reach to all tiers of this market.

### **StatPro Seven**

We launched our new SaaS service StatPro Seven at the end of 2009. StatPro Seven is aimed at the middle office of asset managers and combines our performance, attribution, risk and reporting services together with our data service to offer a comprehensive online analytics service for performance teams. The key is that we offer the same service to all customers but charge on a per portfolio basis. This approach offers excellent value for money for all our clients reducing their total cost of ownership whilst

boosting our revenues and profits. Whereas the average number of products per client is currently 1.9, under the new service every client will get the equivalent of 7 products in one service. Thus whilst the clients may pay less per product their overall spend will increase.

### **StatPro Revolution**

Whereas StatPro Seven is designed to deal with the complexity of portfolio analytics on an industrial scale, StatPro Revolution is designed to make portfolio analytics simple and is focused on the front office. StatPro Revolution is a multi-tenant web-browser based service that provides performance, attribution, risk, reporting and other functions in a matter of seconds. The user simply provides the holdings in their portfolio and StatPro Revolution will automatically calculate the results, accessing a vast database of over 500,000 price series covering global equities, bonds, funds and indices. Whereas StatPro Seven is targeted at the specialist performance measurers and risk managers, StatPro Revolution is suitable for fund managers, analysts, salesmen, account managers, support staff and senior executives. Thus StatPro Revolution also broadens our market within our existing user base by targeting the front office.

We will be previewing StatPro Revolution today as part of our presentation to investors. The initial beta trials will commence on 30 March 2010 with the release of successive updates during the year. In July 2010 we aim to make the beta publically available to users who sign up over the web and we plan to go live with the service towards the end of the year. We have started pre-marketing StatPro Revolution to certain key clients and have received a very positive response so far. Investment incurred on StatPro Revolution in 2009 was approximately £0.69 million and we plan to increase this during 2010 to approximately £1.3 million.

### **StatPro Data Services**

Data is central to our strategy both for evaluated price services and for analytics. Our Complex Asset Pricing service now has a growing number of clients and we expect to see significant growth in this service in 2010. Our Index service has also grown considerably and is a vital part of our analytics offering. We continue to expand our general data coverage for bonds and illiquid assets in order to broaden the appeal of our services. The expiration of some legacy data contracts at the end of 2009 will impact data revenue recognised in 2010, however the pipeline of new business in both North America and Europe reflects the success we have had in promoting our new data services and we expect to see good progress in signing new data clients in 2010.

### **Strategy**

We continue to manage the business under a regional reporting structure with all our services offered within each region. Now that our SaaS products are at fruition we will focus on organic sales growth. This means we will make more investment in our sales teams and increase our marketing profile, especially on the web. Our key message is that we can provide the best portfolio analytics service at the best price thanks to our new technology. We have now simplified and improved our offering from being a collection of analytics products into a unified platform service. We have also simplified the tariff making the service better value for our clients without increasing our cost of delivery. A key focus is to convert existing clients to our new platform and we think that we will make good progress this year based on what is already in our pipeline. Given the under-exploited nature and size of the portfolio analytics market we believe there is considerable growth potential for our products.

### **People**

StatPro is lucky to have such a great team of highly motivated people. I would like to thank all of them on the behalf of the shareholders for their hard work and great results during 2009.

### **Dividend**

The Board is pleased to recommend that the final dividend for 2009 be 0.2p per ordinary share, which, together with the two interim dividends of 0.6p and 1.3p respectively, makes a total of 2.1p for 2009, a 20% increase on the 2008 dividend of 1.75p per ordinary share. We intend to maintain a progressive dividend policy reflecting the balance between the investment needs of the business and growth in underlying cash and earnings per share.

## **Outlook**

These results show that StatPro has built a strong and profitable niche business in the global financial sector with a highly predictable revenue stream from a large base of recurring revenue contracts. With a weighted average contract length of 20 months, this recurring revenue continues to provide us with great visibility. This, combined with the launch of our new products, gives us confidence that we can continue to grow our revenue and our profits in the coming year and are well positioned for continued growth.

**Justin Wheatley**  
**Chief Executive**

## FINANCIAL REVIEW

### Overview

StatPro is now in its strongest financial position ever with growing revenue, profits and cash flow and an increased longevity of its contracted revenue base. As a result, the benefits of the business model's operational gearing are being realised and the net debt and financial gearing of the business have reduced substantially during 2009 and early 2010.

### Revenue

Group revenue increased by 13% (2008: 16%) to £31.56 million (2008: £27.87 million). The split of revenue for the year by type was as follows:

	Year to 31 December 2009 £ million	Year to 31 December 2008 £ million	Growth Year on year %
<b>Revenue</b>			
Software licences	<b>24.40</b>	20.64	18%
Data fees	<b><u>5.04</u></b>	<u>4.12</u>	22%
<b>Total recurring revenue</b>	<b>29.44</b>	24.76	19%
Professional services and other revenue	<b><u>2.12</u></b>	<u>3.11</u>	-32%
<b>Total revenue</b>	<b><u>31.56</u></b>	<u>27.87</u>	13%

Software licence revenue grew by 18% to £24.40 million (2008: £20.64 million), while data fees increased by 22% to £5.04 million (2008: £4.12 million) resulting in recurring revenue increasing by 19% overall. The level of professional services revenues reduced by 32% to £2.12 million (2008: £3.11 million) as clients' budgets for consulting were reined in. At constant currency (i.e. using 2008 average exchange rates), total revenue in 2009 would have been approximately £29.05 million (an increase of 4%) and profit before taxation would have been £6.76 million (an increase of 423%).

### Recurring revenue

The Group continues to have excellent visibility of revenue with a high percentage of recurring revenue at 93% (2008: 89%) of total revenue. The annualised recurring revenue from software licences and data fees at the end of December 2009 was £28.42 million (2008: £27.87 million at constant currency). New contracts signed increased year on year to £3.47 million (2008: £3.26 million). However, the renewal rate at 90% (2008: 94%) was lower year than historical levels following higher cancellation notifications largely as a result of higher M&A activity in the sector.

<b>Software licences and data fees</b>	<b>Annualised recurring contract value 2009 £ million</b>	Annualised recurring contract value 2008 £ million
At 1 January	<b>28.39</b>	20.27
Net impact of exchange rates	<b><u>(0.52)</u></b>	<u>4.15</u>
At 1 January (at 31 December rates)	<b>27.87</b>	24.42
Cancellations/reductions	<b>(2.92)</b>	(1.37)
Contracts acquired with acquisition	-	2.08
New contracted revenue	<b><u>3.47</u></b>	<u>3.26</u>
At 31 December	<b>28.42</b>	28.39
Renewal rate	90%	94%

Approximately 56% of new recurring contracted revenue arose from existing clients (2008: 65%). The proportion by value of recurring software licences and data clients at the end of 2009 secured to the end of 2010 or beyond increased to 81% (2008: 80%) and the weighted average length of contracts committed increased to 20 months (2008: 16 months), resulting in approximately £48.1 million of revenue being contracted as at 31 December 2009 (2008: £37.3 million at constant currency).

### **Operating expenses and operating exceptional items**

Operating expenses (before amortisation of intangibles and exceptional items) increased by 10% to £21.91 million (2008: £19.97 million), although at constant exchange rates there was no underlying increase in expenditure. There was a lower average employee number which decreased by around 2% during the year from 247 to 243. We ended 2009 with 246 employees (2008: 235). Expenditure related to data acquired from third parties, exchange fees and other costs such as telecommunications required to deliver an integrated data and software service, increased in the year.

There were no operating exceptional items in 2009. In 2008 operating exceptional items amounted to £2.60 million as a result of the restructuring in that year.

### **Adjusted operating profit margin**

As a result of the growth in revenue and the business's operational gearing the operating profit and adjusted operating profit margin increased substantially in 2009. The operating profit increased by 156% to £7.10 million (2008: £2.77 million) and adjusted operating profit increased by 27% year on year to £7.79 million (2008: £6.15 million) as shown in note 3, with the adjusted operating profit margin increasing to 24.7% (2008: 22.1%). The adjusted EBITDA (note 3) grew by 28% to £8.63 million (2008: £6.75 million).

### **Research and development and capex**

The Group continues to invest in research and development in enhancing our products and developing our SaaS platform although, following the restructuring in 2008, overall development expenditure incurred during the year reduced to £3.83 million (2008: £4.31 million) of which £2.19 million was capitalised (2008: £2.54 million). The amortisation of internally generated development costs amounted to £1.96 million in 2009 (2008: £1.87 million). Total capital expenditure amounted to £0.79 million in 2009 (2008: £1.19 million). The expenditure relates predominantly to an office move and investments in data centres and related equipment.

### **New service - StatPro Revolution**

During the year we increased our expenditure on the team working on our new developments, in particular, StatPro Revolution, on which approximately £0.69 million was spent during the year. This is expected to increase in 2010 to approximately £1.3 million as we increase our investment in the development and marketing of the product in its launch year.

### **Finance income and expense – exceptional gain on refinancing**

The £1.16 million exceptional pre-tax gain on refinancing during the year is included within financing income. Net finance expense before exceptional items reduced to £0.89 million (2008: £1.48 million) as a result of lower overall net debt and reductions in global interest rates.

### **Profit before tax**

The profit before taxation increased by 471% to £7.37 million (2008: £1.29 million). At 2008 average exchange rates, the profit before taxation would have been £6.76 million (an increase of 423%). The adjusted profit before taxation increased by 48% to £6.90 million (2008: £4.67 million).

### **Taxation**

The tax charge amounted to £1.81 million (2008: £0.19 million) giving an effective tax rate of 25% (2008: 15%). The increase in the tax rate reflects the reduction in historical losses as the Group moves towards a full tax charge, although the cash tax expected to be paid in 2010 remains substantially lower than the charge.

### **Earnings per share**

Basic earnings per share increased by 417% to 9.3p (2008: 1.8p). Diluted earnings per share in 2009 increased to 9.1p (2008: 1.8p) based on potentially dilutive shares outstanding amounting to 1.42 million (2008: 0.59 million). Adjusted earnings per share (note 9) increased by 29% to 9.0p (2008: 7.0p).

## **Balance Sheet**

The Group's net assets increased to £37.59 million at 31 December 2009 (2008: £30.17 million). This increase was mainly as a result of the net profits attributable to equity shareholders of £5.57 million, an increase in equity during the year of £0.52 million and net exchange gains (principally related to revaluation of goodwill) through reserves amounting to £2.65 million.

## **Non-current and current assets**

Net movement on goodwill amounting to £1.79 million (2008: £9.60 million) relates to adjustments to the estimated deferred consideration together with the effect of re-translation at year end exchange rates. The carrying value for goodwill arising on all acquisitions has been reviewed and there have been no impairments to any goodwill. The level of current assets (excluding asset held for sale – see post balance sheet event below) decreased to £9.64 million (2008: £12.82 million). Continued focus on managing working capital resulted in a reduction in trade debtors, the largest component of debtors, amounting to £5.40 million at the end of 2009 (2008: £6.99 million). The level of cash and cash equivalents reduced to £2.37 million (2008: £4.26 million) as surplus cash was used to minimise the amount drawn under our revolving credit facility.

## **Current and non-current liabilities**

The main movements in creditors related to reductions in accruals and provisions as we made payments following the 2008 restructuring and reductions in the bank loan. At 31 December 2009, there is an estimated £0.26 million deferred consideration remaining (2008: £1.33 million) arising on acquisitions, which is the directors' current projection of the fair value that will ultimately be due. The level of trade and other payables (excluding corporation tax and deferred income) reduced to £3.87 million (2008: £5.28 million). Deferred income, which is a non-cash liability, reduced slightly to £12.60 million (2008: £13.06 million) partly due to exchange movements.

## **Cash flow and financing**

There was another year of solid cash generation and further improvement year on year; with free cash flow (see note 6) increasing by 123% to £6.27 million (2008: £2.82 million). The net cash investment in acquisitions amounted to £0.93 million during the year (2008: £6.73 million) relating to payments of deferred consideration on past acquisitions. The proceeds of share issues during the year amounted to £0.49 million (2008: £2.00 million), mainly related to employee share options and we paid a total of £0.30 million related to net settlement of share options in order to minimise potential share dilution.

## **Share capital and reserves**

The issued share capital amounted to £0.61 million (2008: £0.59 million) representing 60.68 million shares of 1p nominal value (2008: 59.47 million) and the share premium account has increased to £16.91 million (2008: £16.28 million) as a result of the issue of 1.21 million shares during the year.

## **Post balance sheet event**

Following the signing of a new agreement with the Johannesburg Stock Exchange ("JSE") announced on 22 January 2010, we received in January 2010 US\$4.0 million (£2.5 million) relating to the contract, resulting in a further reduction in net debt; as a result, the Group's proforma net debt at 31 December 2009 was approximately £6.4 million. The carrying value of the development costs associated with the JSE project amounting to £0.49 million is shown under current assets as an asset held for sale at 31 December 2009.

## **Dividends**

As announced on 3 February 2010, the Company will be paying a second interim dividend of 1.3p per share on 24 March 2010 to all shareholders who were on the register on 26 February 2010. The directors are recommending a final dividend for 2009 of 0.2p per share (2008: 1.25p) making a total dividend for 2009 of 2.1p per share (2008: 1.75p). It is intended to pay the final dividend on 26 May 2010 to all shareholders on the register at the close of business on 23 April 2010. Dividends paid in 2009 amounted to £1.12 million (2008: £0.86 million). The Board intends to maintain a progressive dividend policy reflecting the balance between the investment needs of the business and the growth in underlying cash and earnings per share.

### **Financial risk management**

The current and projected financial risks of the Group are managed by the Group Finance team. The primary risk relates to financing facilities and this is mitigated by ensuring very tight control of cash and detailed forecasting of the business cash flows.

The directors believe that the financial risk profile has reduced significantly following the refinancing in early 2009 and the improvement in trading and reduction in net debt. Whilst the Group still has net debt, the gearing is now less than one times EBITDA.

The debt is currently denominated in a mixture of currencies (GBP, USD, CAD, and EUR) in order to provide a partial currency hedge for profits generated by investments in overseas subsidiaries. The Company also purchased a 3 year interest rate cap in February 2009 on a notional £10 million of debt at a strike price of 3% (based on 3 month GBP LIBOR) as a cost effective way of benefiting from falling interest rates whilst protecting the company from potential adverse interest rate movements.

### **Principal risks and uncertainties**

The directors continue to evaluate the principal business risks and uncertainties affecting the Group and provided below is a summary of these risks, although it is not intended to be an exhaustive list. Further discussion of the principal risks and uncertainties can be found in the Annual Report.

- Loss of key customer contracts
- Insufficient level of new business contracted or delays in contract completion
- Liquidity risk (i.e. insufficient working capital or other financing)
- Competitor products
- Inability to recruit or retain high calibre management and employees
- Loss of good reputation
- Development delays or undetected errors in software
- Data or software hosting delivery failure
- Technological change

For each category of risk, the directors have identified means by which the risk can be managed or reduced in a cost effective way, whilst accepting that some risks cannot be completely eliminated.

**Andrew Fabian**  
**Finance Director**

**Group income statement  
for the year ended 31 December 2009**

	Notes	Unaudited Year to 31 December 2009 £'000	Audited Year to 31 December 2008 £'000
<b>Group Revenue</b>			
Continuing operations	2	31,556	27,871
Operating expenses before amortisation of intangibles		(21,911)	(19,968)
Amortisation of internally generated intangibles		(1,962)	(1,874)
Amortisation of acquired intangibles		(580)	(659)
Exceptional items		-	(2,600)
<b>Operating expenses</b>		<b>(24,453)</b>	<b>(25,101)</b>
<b>Operating profit</b>	3	<b>7,103</b>	2,770
Finance income		14	67
Finance expense		(904)	(1,545)
Exceptional gain on re-financing		1,158	-
<b>Net finance income/(expense)</b>		<b>268</b>	<b>(1,478)</b>
<b>Profit before taxation</b>		<b>7,371</b>	1,292
Taxation	8	(1,813)	(190)
<b>Profit for the year</b>		<b>5,558</b>	<b>1,102</b>
(Loss)/profit attributable to minority interests		(11)	78
Profit attributable to equity shareholders		5,569	1,024
		<u>5,558</u>	<u>1,102</u>
<b>Earnings per share – basic</b>	9	<b>9.3p</b>	1.8p
– diluted	9	<b>9.1p</b>	1.8p

**Statement of comprehensive income**

	Unaudited Year to 31 December 2009 £'000	Audited Year to 31 December 2008 £'000
Profit for the year	5,558	1,102
Other comprehensive income:		
Exchange differences net of tax	2,657	1,609
Total comprehensive income for the year	<u>8,215</u>	<u>2,711</u>
Attributable to:		
Minority interests	(14)	81
Equity shareholders	<u>8,229</u>	<u>2,630</u>
Total comprehensive income for the year	<u>8,215</u>	<u>2,711</u>

**Consolidated balance sheet  
at 31 December 2009**

	Notes	Unaudited As at 31 December 2009	Audited As at 31 December 2008
		£'000	£'000
<b>Non current assets</b>			
Goodwill		47,550	45,760
Intangible assets		5,122	5,909
Property, plant and equipment		2,441	2,446
Other receivables		359	321
Deferred tax assets		<u>899</u>	<u>2,374</u>
		<b>56,371</b>	56,810
<b>Current assets</b>			
Trade and other receivables		7,271	8,561
Cash and cash equivalents		<u>2,366</u>	<u>4,263</u>
		<b>9,637</b>	12,824
Asset held for sale	11	<u>492</u>	-
		<b>10,129</b>	12,824
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities - borrowings		(119)	(5,859)
Trade and other payables		(3,869)	(5,280)
Current tax liabilities		(396)	(225)
Deferred income		(12,347)	(12,821)
Provisions – contingent consideration		(262)	(1,168)
Provisions – onerous contracts		<u>(85)</u>	<u>(373)</u>
		<b>(17,078)</b>	(25,726)
<b>Net current liabilities</b>		<b>(6,949)</b>	(12,902)
<b>Non-current liabilities</b>			
Financial liabilities - borrowings		(11,138)	(13,023)
Other creditors and accruals		(335)	(51)
Deferred income		(257)	(243)
Provisions – contingent consideration		-	(157)
Provisions – onerous contracts		<u>(106)</u>	<u>(266)</u>
		<b>(11,836)</b>	(13,740)
<b>Net assets</b>		<b><u>37,586</u></b>	<b><u>30,168</u></b>
<b>Shareholders' equity</b>			
Ordinary shares		607	595
Share premium		16,913	16,276
Shares to be issued		695	827
Other reserves		8,569	5,912
Retained earnings		<u>10,773</u>	<u>6,515</u>
<b>Total shareholders' equity</b>		<b>37,557</b>	30,125
Minority interest in equity		<u>29</u>	<u>43</u>
<b>Total equity</b>		<b><u>37,586</u></b>	<b><u>30,168</u></b>

## Consolidated statement of changes in shareholders' equity

	Audited Share capital	Audited Share premium account	Audited Shares to be issued	Audited Retained earnings	Audited Other reserves *	Audited Minority interests	Audited Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2008	<u>531</u>	<u>14,273</u>	<u>874</u>	<u>6,237</u>	<u>3,132</u>	<u>(38)</u>	<u>25,009</u>
Profit for the period	-	-	-	1,024	-	78	1,102
Other comprehensive income:							
Exchange differences	-	-	-	-	1,606	3	1,609
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b><u>1,024</u></b>	<b><u>1,606</u></b>	<b><u>81</u></b>	<b><u>2,711</u></b>
Transactions with owners:							
Share based payments	-	-	-	118	-	-	118
Shares issued	64	2,003	(47)	(4)	1,174	-	3,190
Dividends	-	-	-	(860)	-	-	(860)
<b>At 31 December 2008</b>	<b><u>595</u></b>	<b><u>16,276</u></b>	<b><u>827</u></b>	<b><u>6,515</u></b>	<b><u>5,912</u></b>	<b><u>43</u></b>	<b><u>30,168</u></b>

	Unaudited Share capital	Unaudited Share premium account	Unaudited Shares to be issued	Unaudited Retained earnings	Unaudited Other reserves *	Unaudited Minority interests	Unaudited Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2009	<u>595</u>	<u>16,276</u>	<u>827</u>	<u>6,515</u>	<u>5,912</u>	<u>43</u>	<u>30,168</u>
Profit for the period	-	-	-	5,569	-	(11)	5,558
Other comprehensive income:							
Exchange differences	-	-	-	-	2,657	(3)	2,654
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b><u>5,569</u></b>	<b><u>2,657</u></b>	<b><u>(14)</u></b>	<b><u>8,212</u></b>
Transactions with owners:							
Share based payments	-	-	-	107	-	-	107
Net settlement of share options	1	-	-	(297)	-	-	(296)
Shares issued	11	637	(132)	-	-	-	516
Dividends	-	-	-	(1,121)	-	-	(1,121)
<b>At 31 December 2009</b>	<b><u>607</u></b>	<b><u>16,913</u></b>	<b><u>695</u></b>	<b><u>10,773</u></b>	<b><u>8,569</u></b>	<b><u>29</u></b>	<b><u>37,586</u></b>

Other reserves includes merger reserve and translation reserve

**Group cash flow statement  
for the year ended 31 December 2009**

	Notes	Unaudited Year to 31 December	Audited Year to 31 December
		2009	2008
		£'000	£'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	5,6	10,147	8,345
Interest received		14	67
Interest paid		(826)	(1,545)
Tax received		127	-
Tax paid		<u>(204)</u>	<u>(324)</u>
<b>Net cash from operating activities</b>		<b>9,258</b>	<b>6,543</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries (net of cash acquired)		(930)	(6,731)
Investment in intangible assets – development costs		(2,194)	(2,535)
Purchase of property, plant and equipment		<u>(790)</u>	<u>(1,189)</u>
<b>Net cash used in investing activities</b>		<b>(3,914)</b>	<b>(10,455)</b>
<b>Cash flows from financing activities</b>			
Repayment of bank loan on refinancing		(17,629)	-
Repayment of bank loan		(5,325)	(2,918)
Proceeds from new bank loan/overdraft		17,358	9,002
Financing costs for new bank loan		(958)	(190)
Proceeds from issue of ordinary shares		485	2,001
Payment for net settlement of share options		(296)	-
Dividends paid to shareholders		<u>(1,121)</u>	<u>(860)</u>
<b>Net cash (used in)/from financing activities</b>		<b><u>(7,486)</u></b>	<b><u>7,035</u></b>
Effects of exchange rate changes		245	190
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b><u>(1,897)</u></b>	<b><u>3,313</u></b>
<b>Cash and cash equivalents at start of year</b>		<b>4,263</b>	<b>950</b>
<b>Cash and cash equivalents at end of year</b>		<b><u>2,366</u></b>	<b><u>4,263</u></b>

## Notes to the preliminary financial statements

### 1. Announcement

This announcement was approved by the Board of directors on 9 March 2010. The preliminary results for the year ended 31 December 2009 are unaudited. The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 December 2009 or 31 December 2008. The financial information set out in the announcement has been prepared on the basis of the accounting policies set out in the statutory accounts of StatPro Group plc for the year ended 31 December 2008, with the exception of the adoption of IAS 1 (revised) and IFRS 8. The financial information for the year ended 31 December 2008 is derived from the statutory accounts for that year, which have been delivered to the Registrar of Companies. The auditors reported on those accounts and their report was unqualified.

### 2. Segmental analysis

During the year, the Board has adopted IFRS 8, "Operating Segments". The Group's operating segments have been determined based on the operating reports reviewed by the Group Executive Board, which is the Chief Operating Decision Maker. The Group Executive Board considers the business to be split into five primary geographical markets: United Kingdom, Continental Europe, North America, South Africa and Australasia. The South Africa and Australasia segments do not represent reportable segments in accordance with IFRS 8. Segment assets and liabilities represent those assets and liabilities arising from the operating activities of those segments.

All revenue, profit/(loss) before taxation and net assets/(liabilities) are attributable to the principal activity of the Group, being the development, marketing and distribution of software systems and the provision of portfolio analytics and data solutions to the global asset management industry.

The analysis in this note is unaudited.

#### a) Revenue is analysed as follows:

	2009	2008
	Unaudited	Audited
	£'000	£'000
	Total	Total
United Kingdom	5,246	4,348
Continental Europe	9,747	8,947
North America	12,151	11,153
Rest of World	4,412	3,423
Total	<u>31,556</u>	<u>27,871</u>

#### b) Profit/(loss) before tax and investment in property, plant and equipment ("PPE") and intangibles (excluding goodwill) in the year are analysed as follows:

	Profit before tax		Investment in PPE		Investment in intangibles	
	2009	2008	2009	2008	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000
United Kingdom	<b>(1,305)</b>	(4,409)	<b>140</b>	123	<b>1,961</b>	3,543
Rest of Europe	<b>3,357</b>	2,921	<b>151</b>	55	-	-
North America	<b>3,601</b>	1,196	<b>410</b>	855	<b>233</b>	414
Rest of World	<b>1,718</b>	1,584	<b>89</b>	195	-	-
Total	<u><b>7,371</b></u>	<u>1,292</u>	<u><b>790</b></u>	<u>1,228</u>	<u><b>2,194</b></u>	<u>3,957</u>

The profit before tax by region is now reported under a new basis following the implementation of IFRS 8, "Operating Segments", and 2008 has been re-stated accordingly. The key change relates to the fact that most inter-segment recharges are not reported in the measures of profit that are reviewed by the Group Executive Board.

c) Depreciation, amortisation and other significant non-cash costs in the year are analysed as follows:

	Depreciation		Amortisation		Other significant non cash costs	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000	2009 £'000	2008 £'000
United Kingdom	131	120	2,157	1,822	-	706
Rest of Europe	91	90	-	-	-	-
North America	456	342	356	561	-	-
Rest of World	161	53	29	150	-	-
<b>Total</b>	<b>839</b>	<b>605</b>	<b>2,542</b>	<b>2,533</b>	<b>-</b>	<b>706</b>

Analysis of recurring revenue by type

Type	Sterling value at 31 December 2009 Unaudited		Sterling value at 31 December 2008 Audited	
	£ millions	Percentage	£ millions	Percentage
Software licences	24.48	86.1%	23.38	82.4%
Data fees	<u>3.94</u>	<u>13.9%</u>	<u>5.01</u>	<u>17.6%</u>
	28.42	100.0%	28.39	100.0%

Analysis of recurring revenue by region

Region	Sterling value at 31 December 2009 Unaudited		Sterling value at 31 December 2008 Audited	
	£ millions	Percentage	£ millions	Percentage
United Kingdom	7.00	24.6%	6.03	21.2%
Continental Europe	8.22	28.9%	7.95	28.0%
North America	9.68	34.1%	11.09	39.1%
Rest of World	<u>3.52</u>	<u>12.4%</u>	<u>3.32</u>	<u>11.7%</u>
	28.42	100.0%	28.39	100.0%

### Analysis of recurring revenue by currency

As at 31 December 2009	Currency value	Exchange rate	Sterling value at	
	millions	31 December 2009	31 December 2009	
			Unaudited	
Currency			£ millions	Percentage
Pounds sterling	GBP 5.74	1.000	5.74	20.2%
Euro	EUR 9.40	1.126	8.35	29.4%
US Dollar	USD 7.45	1.615	4.61	16.2%
Canadian Dollar	CAD 9.04	1.693	5.34	18.8%
Other currencies			<u>4.38</u>	<u>15.4%</u>
			28.42	100.0%

As at 31 December 2008	Currency value	Exchange rate	Sterling value at	
	millions	31 December 2008	31 December 2008	
			Audited	
Currency			£ millions	Percentage
Pounds sterling	GBP 5.78	1.000	5.78	20.4%
Euro	EUR 8.69	1.034	8.40	29.6%
US Dollar	USD 7.75	1.438	5.39	19.0%
Canadian Dollar	CAD 10.12	1.775	5.70	20.1%
Other currencies			<u>3.12</u>	<u>10.9%</u>
			28.39	100.0%

### 3. Adjusted profit before taxation, adjusted operating margin and adjusted EBITDA

#### Adjusted profit before taxation

	Unaudited	Audited
	Year to 31 December	Year to 31 December
	<b>2009</b>	2008
	£'000	£'000
Profit before taxation	7,371	1,292
Add back: Amortisation on acquired intangibles	580	659
Add back: Share based payments	107	118
(Deduct)/Add back: Exceptional items	<u>(1,158)</u>	<u>2,600</u>
Adjusted profit before tax	<u>6,900</u>	<u>4,669</u>

#### Adjusted operating profit

	Unaudited	Audited
	Year to 31 December	Year to 31 December
	<b>2009</b>	2008
	£'000	£'000
Operating profit	7,103	2,770
Add back: Amortisation on acquired intangibles	580	659
Add back: Share based payments	107	118
Add back: Exceptional operating items	—	<u>2,600</u>
Adjusted operating profit	<u>7,790</u>	<u>6,147</u>

Adjusted operating profit margin	24.7%	22.1%
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**Adjusted EBITDA**

	Unaudited	Audited
	Year to 31 December	Year to 31 December
	<b>2009</b>	2008
	£'000	£'000
Operating profit	7,103	2,770
Add back: Depreciation of fixed assets	839	605
Add back: Amortisation on acquired intangibles	580	659
Add back: Share based payments	107	118
Add back: Exceptional operating items	—	<u>2,600</u>
Adjusted EBITDA	<u>8,629</u>	<u>6,752</u>

**4. Exceptional items.** The non-operating exceptional gain on refinancing in 2009 resulted from the redemption of the old financing facility at an amount below the carrying value of the debt.

There were no operating exceptional items in 2009. The operating exceptional items amounting to £2.60 million in 2008 related to severance payments, onerous leases and other contracts, writing off previously capitalised internal developments and other costs relating to restructuring the operations of the Group following the acquisition of Performa in February 2008 and the cost cutting initiative in October 2008.

**5. Reconciliation of profit before tax to net cash inflow from operating activities**

	Unaudited	Audited
	Year to 31 December	Year to 31 December
	<b>2009</b>	2008
	£'000	£'000
Profit before taxation	7,371	1,292
Net finance (income)/expense	<u>(268)</u>	<u>1,478</u>
Operating profit	7,103	2,770
Depreciation of tangible fixed assets	839	605
Amortisation of intangibles	2,542	2,533
Internal developments write down following restructuring	-	706
Decrease/(increase) in debtors	1,252	(1,163)
(Decrease)/increase in creditors (excluding deferred income)	(1,465)	329
(Decrease)/increase in deferred income	(231)	2,427
Loss on disposal of fixed assets	-	20
Share based payments	<u>107</u>	<u>118</u>
<b>Net cash inflow from operating activities</b>	<b><u>10,147</u></b>	<b><u>8,345</u></b>

**6. Free cash flow – reconciliation from statutory heading to business performance measure**

	Unaudited	Audited
	Year to 31 December	Year to 31 December
	<b>2009</b>	2008
	£'000	£'000
Cash generated from operations	10,147	8,345
Investment in intangible assets – development costs	<u>(2,194)</u>	<u>(2,535)</u>
Cash generated from operations less internally generated intangible assets	<u>7,953</u>	<u>5,810</u>

	Unaudited	Audited
	Year to 31 December	Year to 31 December
	2009	2008
	£'000	£'000
Cash generated from operations	10,147	8,345
Net interest paid	(812)	(1,478)
Net tax paid	(77)	(324)
Purchase of property, plant and equipment	(790)	(1,189)
Investment in intangible assets – development costs	<u>(2,194)</u>	<u>(2,535)</u>
Free cash flow	<u>6,274</u>	<u>2,819</u>

## 7. Reconciliation of net cash flow to movement in net debt

	Notes	Unaudited	Audited
		Year to 31 December	Year to 31 December
		2009	2008
		£'000	£'000
(Decrease)/increase in cash and cash equivalents in the period		(1,897)	3,313
Movement on overdraft and other loans		2,458	(2,002)
Movement on bank loans		4,096	(3,892)
Exchange differences on bank loans and overdrafts		(28)	(2,008)
Exceptional gain on re-financing		1,158	-
Other non-cash movements		<u>(59)</u>	<u>103</u>
<b>Movement in net debt</b>		<b>5,728</b>	<b>(4,486)</b>
<b>Net debt at beginning of year</b>		<b><u>(14,619)</u></b>	<b><u>(10,133)</u></b>
<b>Net debt at end of year</b>		<b><u>(8,891)</u></b>	<b><u>(14,619)</u></b>

## 8. Taxation

The taxation reconciliation for the year is as follows:

	2009	2008
	Unaudited	Audited
	£'000	£'000
Current tax		
Current tax on profits for the year	(444)	(258)
Adjustments in respect of prior years	190	(195)
<b>Total Current Tax</b>	<b>(254)</b>	<b>(453)</b>
<b>Total Deferred tax</b>	<b>(1,559)</b>	<b>263</b>
<b>Income tax expense</b>	<b><u>(1,813)</u></b>	<b><u>(190)</u></b>

The tax impact of the exceptional items is as follows:

	2009	2008
	Unaudited	Audited
	£'000	£'000
Tax charge on profit before tax and exceptional items	(1,544)	(729)
Tax (charge)/credit on exceptional items	<u>(269)</u>	<u>539</u>
Tax charge on profit before tax and after exceptional items	<b><u>(1,813)</u></b>	<b><u>(190)</u></b>

The tax on the group's profit before tax differs from the standard rate of corporation tax in the UK of 28% (2008: 28.5%) as follows:

	2009	2008
	Unaudited	Audited
	£'000	£'000
Profit before tax	7,371	1,292
Tax charge on profit before tax at standard rate of corporation tax in the UK of 28.0% (2008: 28.5%)	(2,064)	(368)
Tax effects of:		
Permanent differences	158	361
Recognition of tax losses in the period	126	(214)
Adjustments in respect of prior years	190	-
Difference in tax rates on current tax	(124)	31
Difference in tax rates on deferred tax	(99)	-
<b>Tax Charge</b>	<b>(1,813)</b>	<b>(190)</b>

## 9. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year as set out below.

### Earnings per share – basic and diluted

	Earnings	Weighted average number of shares	Earnings per share	Earnings	Weighted average number of shares	Earnings per share
	2009	2009	2009	2008	2008	2008
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited
	£'000	'000	pence	£'000	'000	pence
<b>Earnings per share – basic</b>	<b>5,569</b>	<b>59,849</b>	<b>9.3</b>	1,024	55,368	1.8
Potentially dilutive shares	-	<u>1,417</u>	<u>(0.2)</u>	-	<u>593</u>	-
<b>Earnings per share - diluted</b>	<b>5,569</b>	<b>61,266</b>	<b>9.1</b>	1,024	55,961	1.8

### Adjusted earnings per share

	Earnings	Weighted average number of shares	Earnings per share	Earnings	Weighted average number of shares	Earnings per share
	2009	2009	2009	2008	2008	2008
	Unaudited	Unaudited	Unaudited	Audited	Audited	Audited
	£'000	'000	pence	£'000	'000	pence
Earnings per share – basic	5,569	59,849	9.3	1,024	55,368	1.8
Effect of amortisation of acquired intangibles	580	-	1.0	659	-	1.2
Effect of share based payments	107	-	0.2	118	-	0.2
Effect of exceptional items	(1,158)	-	(1.9)	2,600	-	4.7
Effect of tax on exceptional items	269	-	0.4	(539)	-	(0.9)
<b>Adjusted earnings per share</b>	<b>5,367</b>	<b>59,849</b>	<b>9.0</b>	3,862	55,368	7.0
Potentially dilutive shares	-	<u>1,417</u>	<u>(0.2)</u>	-	<u>593</u>	(0.1)
<b>Adjusted earnings per share - diluted</b>	<b>5,367</b>	<b>61,266</b>	<b>8.8</b>	3,862	55,961	6.9

The adjusted earnings per share information has been provided in order to assist the reader to understand the underlying performance of the business on a comparable basis.

## 10. Dividend

As announced on 3 February 2010, the Company will be paying a second interim dividend of 1.3p per share on 24 March 2010 to all shareholders who were on the register on 26 February 2010. The directors are recommending a final dividend for 2009 of 0.2p per share (2008: 1.25p) making a total dividend for 2009 of 2.1p per share (2008: 1.75p). It is intended to pay the final dividend on 26 May 2010 to all shareholders on the register at the close of business on 23 April 2010. In accordance with IFRS, these dividends are not accrued in these financial statements.

## **11. Post balance sheet event**

As announced on 22 January 2010, the Company signed an agreement with the Johannesburg Stock Exchange ("JSE") for a total consideration of US\$4,080,000 (£2.5 million) in January 2010. This follows the JSE's decision to in-source its back office systems development project, a non-core project inherited by StatPro through an earlier acquisition. The proceeds from the agreement have been used to further strengthen StatPro's balance sheet and reduce the Company's debt level to £6.4 million (on a pro-forma basis) from £8.9 million as at 31 December 2009 (2008: £14.6 million). The carrying value of the development costs associated with the JSE project amounting to £0.49 million is shown under current assets as an asset held for sale at 31 December 2009.