Regulatory Story

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EMIS Group PLC - EMIS
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Final Results

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EMIS Group plc
("EMIS Group" or "the Group")

Final Results for the year ended 31 December 2016

EMIS Group plc (AIM: EMIS.L), the UK leader in connected healthcare software and services, today announces its final results for the year ended 31 December 2016.

Financial highlights

	2016	2015	**Change**
Revenue			
Total revenue	**£158.7m**	£155.9m	**+2%**
Recurring revenue	**£128.5m**	£123.0m	**+4%**
Operating profit			
Adjusted[1]	**£38.8m**	£36.6m	**+6%**
Reported	**£23.5m**	£11.4m	**+106%**
Cash flow and net debt			
Cash generated from operations[2]	**£38.0m**	£36.5m	**+4%**
Net debt	**£0.4m**	£9.1m	**-£8.7m**
Earnings per share			
Adjusted[1]	**49.4p**	45.3p	**+9%**
Reported	**30.4p**	7.2p	**+320%**
Dividends			
Proposed final	**11.7p**	10.6p	**+10%**
Total for year	**23.4p**	21.2p	**+10%**

[1] Excludes capitalisation and amortisation of development costs, amortisation of acquired intangibles and exceptional items. Operating exceptional items comprise cost reduction programme charges of £3.6m (2015: £nil) and non-cash impairment charges of £4.6m (2015: £18.5m). Earnings per share calculations also adjust for the related tax and non-controlling interest impact.

[2] Stated after deduction of capitalised development costs of £5.7m (2015: £6.2m) and of the cash impact of the cost reduction programme of £3.1m (2015: £nil).

Operational highlights - solid financial performance with improvement in all key metrics

- Continued growth in revenue, recurring revenue, operating profit and improved operating margin
- Strong market share maintained across the Group and Child, Community and Mental Health (CCMH) above target
- Cost reduction measures and operational improvements within Secondary Care complete with benefits seen in H2
- Integration of Primary Care, CCMH, and Secondary Care begun at end of 2016
- Growth plans for Patient Platform (Patient.info/Patient Access)

Primary & Community Care - strong financial performance

- UK primary care market leading position maintained at 55% market share (2015: 55%)
- EMIS Web roll-out programme progressing in Northern Ireland and Scotland in pre-procurement
- CCMH market share of 16% (2015: 12%) exceeded full year target despite slower rate of larger contract awards

Community Pharmacy - strong financial performance

- Market leading share of the combined supermarket/independent market increased to 37% (2015: 36%), expected to grow to close to 50% in 2018
- Next generation dispensary pharmacy management product (ProScript Connect) accredited throughout the UK and independent pharmacy roll-out begun
- Lloyds Pharmacy/AAH Pharmaceuticals ProScript Connect acceptance testing expected to complete by Q2 2017 with accelerated roll-out thereafter

Secondary & Specialist Care - mixed performance

- Secondary Care largely in line with expectations after first half restructuring
- Secondary Care NHS environment remains difficult to predict but secured a number of important contract wins
- Specialist Care contract wins of £19m and significant implementation activity ongoing but profit held back by related costs and operational inefficiencies

Current Trading & Outlook - in line with the Board's expectations

- Strong revenue visibility with 81% recurring revenue
- Solid order books and pipelines across every segment
- Structural re-organisation, in Primary Care, CCMH, and Secondary Care, to improve efficiency and better align the Group and its customers
- Responding positively to political and economic uncertainty
- Growth in CCMH, EMIS Care and Community Pharmacy markets with further opportunities in new models of care and Patient Platform

Chris Spencer, Chief Executive Officer of EMIS Group, said:

"Overall our businesses continue to deliver results in line with our expectations. This is despite headwinds created by the NHS funding gap which create a difficult operating environment for the Group with delays to the pace and level of procurement activity.

We remain clear market leaders in Primary Care and have again increased our market share in CCMH. Our new Community Pharmacy product is being rolled out into independent pharmacies and implementation of the AAH/Lloyds contract will see our market share grow close to 50%.

The NHS's plans to bridge its funding gap continue to cause sluggishness in immediate discretionary procurements. However, that planning process highlights the Group's unique ability to help bridge the gap. To quote the recent Wachter Report* commissioned by Jeremy Hunt, Secretary of State for Health:

'In order for the National Health Service to continue to provide a high level of healthcare at an affordable cost it simply must modernise and transform. … But none of the changes are likely to be as sweeping, as important, or as challenging as creating a fully digitised NHS.'

In light of the proactive operational steps we are taking, including structural reorganisation to improve efficiency and better align the Group with its customer base, investment in a patient-centred digital platform, and continued strong revenue visibility alongside a solid order book and pipeline, we remain confident in overcoming short term headwinds and securing a positive outlook in 2017 and beyond."

* *Making IT Work: Harnessing the Power of Health Information Technology to Improve Care in England*

There will be an analyst meeting today at 9.30am at Numis Securities, 10 Paternoster Square, London EC4M 7LT. Please contact Francesca Rommel at MHP Communications on 020 3128 8838, emis@mhpc.com, for details.

Enquiries:
For further information, contact:

EMIS Group plc **Tel: 0113 380 3000**
Chris Spencer, CEO
Peter Southby, CFO
www.emisgroupplc.com
@CEO_EMISGroup

Numis Securities Limited (Nominated Adviser & Broker) **Tel: 020 7260 1000**
Oliver Hardy/Simon Willis/James Black

MHP Communications **Tel: 020 3128 8540**
Reg Hoare/Giles Robinson/Charlie Barker

Notes to Editors

EMIS Group is the UK leader in connected healthcare software and services. Its solutions are widely used across every major UK healthcare setting from primary and community care, to high street pharmacies, secondary care and specialist care services. EMIS Group helps healthcare professionals in over 10,000 organisations share vital information, facilitating better, more efficient healthcare and supporting longer and healthier lives.

EMIS Group serves the following healthcare markets under the EMIS Health brand:

- Primary & Community Care, as the UK leader in clinical management systems for healthcare providers and commissioners. EMIS Health products, including the flagship EMIS Web, hold over 40 million patient records and are used by more than 100,000 professionals in nearly 6,000 healthcare organisations.

- Secondary & Specialist Care, as a leading software provider to NHS Acute Trusts and Boards, focused primarily on hospital pharmacy, A&E (holding over 30 million patient records), and patient administration systems as well as England's leading provider of diabetic eye screening software and other ophthalmology-related solutions.
- Community Pharmacy, with the UK's single most used integrated community pharmacy and retail system.

These markets are also supported by other EMIS Group businesses:

- under the Patient brand, the UK's leading independent provider of patient-centric medical and well-being information and related transactional services.
- under the Egton brand, providing specialist ICT infrastructure, hardware and engineering services, and non-clinical software into health and social care.
- under the EMIS Care brand, providing healthcare screening programmes such as diabetic eye screening.

CHIEF EXECUTIVE'S OVERVIEW

Overall, performance for the year was in line with the Board's expectations with strong profitability and cash generation. The Group continues to benefit from strong revenue visibility, loyal customers, quality products, leading and growing market shares and a solid order book and pipeline.

The gap continues to widen between the health demands of a growing population with more long term conditions year-on-year and a governmental desire to slow the rate of growth in NHS funding. Perhaps counter-intuitively the development of Sustainability and Transformation Plans (STPs) - intended to show how the NHS and local authorities will bridge that gap by remodelling healthcare and later merging health and social care - has caused another hiatus in the deployment of planned funds for NHS IT transformation.

In 2016 the Group took appropriate steps in relation to reducing the cost base in Secondary Care and in harmonising employee pay and conditions. 2017 will see an internal transformation to anticipate the NHS's sharing of back-office functions and the acceleration in the creation of "new models of care". To that end, the Group's Primary, Community and Secondary Care businesses will be combined and integrated by the end of Q1 2017. The Group is also investing in the building of a patient-centric digital platform based on its existing Patient.info business.

The Group has continued to demonstrate its commitment to and alignment with NHS strategy, whether stated centrally through the Wachter Report or locally through the STPs, which continues to endorse the facilitation of connected patient-centric care through the mobilisation of health and care related data using integrated and interoperable software systems. EMIS Group remains at the forefront of this market.

OPERATIONAL REVIEW

EMIS Group is a leading provider of UK healthcare software, information technology and related services. It has again maintained or grown strong market share positions in every major area of healthcare facilitating the NHS's ongoing connected care strategy across primary, community, secondary and specialist healthcare and community pharmacy.

Primary & Community Care - Revenue up 6%, Adjusted Operating Profit up 9%

EMIS Health - Primary Care (EHPC)

Primary Care maintained its record of steady growth from a loyal customer base, with almost three-quarters of the Group's English GP practices being EMIS Health users for over ten years. EMIS Health's leading market share of 55% (2015: 55%) was increasingly supported by a local NHS strategy to consolidate clinical management systems and the number of 100% EHPC Clinical Commissioning

Groups (CCGs) again rose from 46 to 51. This common strategy creates a platform for STPs to seamlessly connect primary, community and other healthcare data.

The estate-wide deployment and utilisation of nationally-created electronic services in England, such as electronic prescriptions and the transfer of GP records, reached an all-time high for EMIS Health, further facilitating connected care that involves primary care professionals. These NHS national programmes also include Patient Access, with 5.1 million citizens registered to interact with GP services online by the end of 2016.

In Northern Ireland, implementation of EMIS Web for primary care began slowly, with the first pilot sites live on 16 August 2016, however the roll-out is expected to be completed in 2017. In Scotland, EMIS Web is being offered in place of the Group's older software and pre-procurement engagement has begun for likely implementation in 2018. In Wales, re-procurement of the primary care framework agreement has begun although it is worth noting that existing EMIS Web agreements will continue until 2019 - 2020.

Working with Diabetes UK, EMIS Health helped GPs and practice nurses across the country innovatively improve care for patients with Type 2 diabetes by providing "information prescriptions" that not only alert clinicians to key information on their patients' condition during consultations, but also give patients the tailored information they need to self-manage at home. This innovative service helps provide faster and better care for the 3.5 million diagnosed patients as well as helping reduce the over £11bn annual cost to the NHS.

EMIS Health - Child, Community & Mental Health (CCMH)
CCMH market share grew to 16% (2015: 12%), exceeding the Group's internal target despite the general sluggishness of the market as a whole.

A number of previously unannounced material contract wins were secured in the year including:

- Isle of Man Department of Health and Social Care - Community
- First Community Health & Care - Community and Mental Health
- Central Manchester University Hospitals NHS Foundation Trust - Community and Mental Health
- Tameside Hospital Foundation Trust - Community

Including those previously announced, 2016 wins had an aggregate total contract value in excess of £11m with a strong pipeline of opportunities in 2017 as former National Programme for IT CCMH contracts continue to be re-procured. Two material CCMH contracts (Bridgewater Community Healthcare and Central Surrey) have already been secured in early 2017.

The CCMH team has secured 38 CCGs where EMIS Health is the sole supplier in primary care as well as having a strong presence in CCMH. This further supports the Group's strategy of helping delivery of connected care. As an example, a multidisciplinary team in Ayrshire of more than 50 staff - including doctors, nurses and allied health professionals such as physiotherapists - switched from paper records to EMIS Web. This helped transform patient care and within six months the team had reduced the average length of hospital stay for frail patients by twelve days, enabling them to care for 30% more patients.

Egton - ICT infrastructure, engineering, and non-clinical software
Egton performed well, providing a range of software, hardware and services, including health administration, compliance software and GP practice websites.

On 22 December 2016 Egton extended the Group's capability into social care through the acquisition of Intrelate for £0.8m net of cash acquired. The business was immediately integrated within Egton to provide its Carista administrative software in social care. Carista is a mobile software platform helping carers (paid and unpaid) to plan, monitor, manage and measure social care outcomes. This extends the Group's capability into directly helping deliver integrated health and social care.

Another exciting area of growth for Egton in 2017 will be the securing and implementation of CCG-funded NHS WiFi in GP practices, with a current order book of £1.8m.

Patient - patient-centric medical and well-being information/transactional services

Patient.info is already the UK's leading independent provider to consumers of medical and well-being information with 18.3m unique monthly visitors (2015: 11.5m) and advertising revenues of £2.1m (2015: £1.7m). Patient helps people proactively manage their own health and wellbeing often in a "pre-primary care" setting.

The number of visitors to Patient has grown strongly as planned in 2016 especially from international visitors who at the end of 2016 accounted for 74% of the total.

To accelerate Patient's growth and ensure its consumer focus Jason Keane joined Patient as Digital CEO in October 2016. He has extensive digital media experience in a number of senior roles including at Saffron Digital, Universal Networks Interactive, and Yahoo! Answers. Following his appointment, work immediately began to optimise Patient's existing media business and inventory including new site design, an improved content management system, initial changes to the user experience and user interface, and ongoing improvements to the organic search position.

On 1 January 2017 Patient became an independent legal entity with a plan to grow its publishing/media business and to expand into a market-place e-commerce platform connecting Patient's global audience to a network of digital healthcare services. A detailed business plan is in place for an investment of up to £7m over the next two years against appropriate performance milestones. This is mainly for the people costs to deliver the media content and platform environment needed to drive growth over the next five years toward a targeted annual revenue of £50m.

Community Pharmacy - Revenue up 7%, Adjusted Operating Profit up 15%

EMIS Health - Community Pharmacy (EHCP)

EHCP, the provider of the UK's single most widely used community pharmacy dispensary management system, delivered strong results. It also continued to prepare for future market share growth over the next 18 months (from 37% at the year end to approximately 50% by 2018) through the implementation of the agreement with AAH Pharmaceuticals/Lloyds.

The Group's next generation pharmacy dispensary management product, ProScript Connect, has now been accredited in England, Scotland, and Wales. As well as having a pipeline of opportunities in the independent pharmacy space, ProScript Connect had been installed in 25 independent pharmacies by the end of 2016. Implementation continues mainly to be done remotely, to minimise resource requirements at each location and enable "out of hours" upgrades where appropriate, while more complex sites, for example those with robotic systems, are likely to require on-site attendance. Healthways Chemist which upgraded from ProScript to ProScript Connect found that the new system helped the pharmacy spend less time on administration and offer a better service to their busy and time-pressured customer base.

The business is also preparing for implementation in the Lloyds estate. The first three ProScript Connect pilot sites in the AAH independent estate also went live by the end of December and are performing in line with expectations.

The total dispensary management estate size grew to 5,091 sites (2015: 4,910 sites) through incremental gains from competitors as well as growth of existing customers.

After the year end, EHCP secured a 6 year contract with a total contract value of £1.4m with a further supermarket customer

Commercial and technical models are being considered following piloting of EMIS Web for community pharmacy. This will enable pharmacies to diversify into extended primary care services (for example smoking cessation, influenza injections) and monitoring of long term conditions.

Secondary & Specialist Care - Revenue down 10%, Adjusted Operating Profit down 21%

EMIS Health - Secondary Care (EHSC)
EHSC performed largely in line with expectations following the various cost-improvement measures taken in the first half of 2016 and taking into account the sluggishness of the NHS secondary care market for mid-sized procurements. In addition, the transfer of revenues and profits associated with the ePEX (acute mental health) product to EHPC and the lack of one-off implementation revenues compared with 2015 meant that performance in EHSC was held back. Until the effects of the STPs become clearer, including increased merger activity between hospital trusts, the NHS procurement environment will continue to be difficult to predict. The Wachter Report, while strongly supporting investment in the digitisation of secondary care, also served to slow small to mid-sized procurements in favour of predominantly large-scale implementations in Global Digital Exemplars (GDEs).

Despite that, as previously announced, EHSC:

- was awarded a contract for a Patient Administration System in Northampton in April 2016 with a total contract value of £6.7m;
- in association with the UK's other major hospital pharmacy software provider, has created an electronic procurement hub to enable 75% of UK hospitals to replace the manual processing of home care pharmacy; and
- is one of two suppliers on the NHS Scotland Hospital Electronic Prescribing and Medicines Administration framework, worth £15m over two years.

The strategic decision, announced on 15 February 2016, for EHSC to focus on core markets and products with a related reduction in costs and staff numbers was largely implemented in the UK and in Kenya by the end of the first half.

As well as providing discrete software systems, EHSC is also active in linking, monitoring, and managing its own and third party systems. Working with Nottinghamshire Healthcare NHS Foundation Trust, which was seeking data on how their service was performing, EHSC has replaced the manual creation of bespoke reports - finding data from a number of separate systems and combining it - and reduced the time taken to create new reports from a few days to a matter of minutes.

During 2017, EHSC is also expected to benefit from an NHS England initiative to centrally fund upgrades to the latest version of EMIS Health's hospital pharmacy product. In addition, EMIS Health is working as the principal supplier with University Hospitals of Southampton NHS Foundation Trust as they formulate their plan as a GDE. In September 2016 NHS England announced £10m funding for each of 12 initial GDEs to help them become paperless by 2020. Funding and contracts are expected to be released in the second half of 2017. A "Fast Follower" programme is also expected to be announced allowing other NHS Trusts to access a smaller pot of centrally matched funding for adopting the technologies pioneered by the GDEs. EMIS Health is directly engaged with a further three GDEs and indirectly involved, as a supporting supplier, with three more.

EMIS Health - Specialist & Care (EHS&C)
EMIS Health Specialist has maintained its position as the leading software provider in English diabetic retinopathy screening with a 77% market share (2015: 79%).

Public Health England has initiated a procurement process to develop a national screening platform intended to achieve standardised local programme operation through common IT system design and core functionality. Although intended to begin with diabetic eye screening, the platform is designed to encompass all systematic screening services. Should the procurement conclude it would provide an opportunity for EHS&C to secure the rest of the English diabetic eye screening market.

EMIS Care remains the clear market leader in outsourced diabetic eye screening and ophthalmology imaging services with an 18% market share (2015: 19%). In 2016 EMIS Care was awarded further contracts for screening provision in:

- Lancashire Lot 1 (East Lancashire & Preston - from the NHS)*
- Lancashire Lot 2 (North Lancashire & Fylde Coast - from the NHS)*
- West Yorkshire Lot 2 (Bradford, Huddersfield & Calderdale - from the NHS, EMIS Care and 1st Retinal Screen)*
- Bath, Swindon and Wiltshire (from the NHS and Virgin Care)
- Surrey (from Virgin Care)
- Plymouth (from the NHS)

* indicates awards previously announced

These mainly three year initial term contracts, with an initial total contract value of £19m, will see EMIS Care's market share rise to 26%. Some of the new contracts were implemented during the second half of 2016 and the remainder will be implemented in the first half of 2017.

As previously announced, this unprecedented level of tender and implementation activity has held back and will continue to hold back financial performance through sub-optimal cost bases and operational practices and the incurring of implementation costs. This is especially so in the case of contracts previously operated by the NHS. As operational efficiencies are delivered over the life of the contracts, the division is building the foundations necessary to improve the profit profile. Pending that improvement, the Board has decided to recognise an impairment charge of £4.6m relating to the goodwill of the EMIS Care (Medical Imaging) business to reflect the delay in contribution created by those additional costs.

Integrated Care

The Group continued to make progress during the year in integrating health and social care by connecting its own and third party products helping the NHS to facilitate faster, better, cheaper care. The Group's Partner programme reached 80 participating suppliers, generating over £5m in revenue in 2016 for the Primary Care business.

EMIS Health also worked with many NHS and allied organisations to share securely vital data. For example in the East Cheshire Hospice in Macclesfield, as part of the national Electronic Palliative Care Co-ordination System, EMIS Web is being used across multiple care settings including securely sharing medical information and care plans, enabling access to the Cheshire Care Record (data from The Christie Hospital and social care partners with North West Ambulance Service joining in the future) recording information about and views of patients/family/carers, and enabling community wide multi-disciplinary care planning meetings.

The publication of STPs in June 2016 and the subsequent debate and activity showed the clearest sign yet that the NHS is actively embracing integrated care especially with a primary/community care focus. This not only reinforces EMIS Group's strategy in existing markets but also provides new market opportunities in the short and medium term. Those opportunities include in-hospital and out-of-hospital markets like urgent and emergency care, out of hours and medicines management.

Internal reorganisation

In December 2016, the Group began to bring together EHPC and EHSC. This will combine Primary, Community and Secondary Care into a single operating unit under the leadership of Duane Lawrence formerly managing director of secondary care.

This is intended to align the Group with the NHS's need to deliver more integrated care between hospitals, GP practices, and community services and optimise the Group's cost base.

A new management structure was designed and the senior management team was established in early January 2017 while collective consultation for other affected staff began in the second week of February. The majority of the integration exercise is expected to be completed by the end of the first quarter of 2017. The exercise is expected to reduce headcount by over 100 people at a cost of around £3.0m and will deliver an estimated in year cost-saving of £3.0m, rising to £4.0m on an annual basis.

Board changes

As announced on 12 December 2016, Chris Spencer, the Group's Chief Executive, intends to retire from his position and from the Board by the end of 2017. The formal search for his successor has already identified a number of credible candidates and interviews are underway. On the same date, although unrelated, the Group also announced the appointment of David Sides as an additional independent non-executive director with effect from 1 January 2017. David is currently CEO of Streamline Health Solutions, a provider of transformational data-driven solutions to healthcare providers, and before that his career included 17 years in senior roles at Cerner Corporation.

SUMMARY AND OUTLOOK

Overall our businesses have continued to deliver results in line with our expectations. This was despite headwinds created by the NHS funding gap, which resulted in a difficult operating environment for the Group with delays to the pace and level of procurement activity.

We remain clear market leaders in Primary Care with the further roll-out of EMIS Web ongoing and have once again increased our market share in CCMH. Our new Community Pharmacy product is now being rolled out into independent pharmacies, pending implementation of the AAH/Lloyds contract that will see our market share grow close to 50%.

Current trading remains in line with the Board's expectations and the outlook is encouraging with strong revenue visibility provided by 81% recurring revenue and solid order books and pipelines across every segment. Structural re-organisation, bringing together Primary Care, CCMH, and Secondary Care, will improve efficiency and better align the Group and its customers. We are looking for growth from the implementation of existing contracts in EMIS Care and Community Pharmacy with further growth opportunities in CCMH, new models of care and Patient.

The NHS's plans to bridge its funding gap continue to cause sluggishness in immediate discretionary procurements. However, that planning process highlights the Group's unique ability to help address the challenges in the NHS.

In light of the proactive operational steps we are taking and our investment in a patient-centred digital platform we remain confident in overcoming short term headwinds and securing a positive outlook in 2017 and beyond.

FINANCIAL REVIEW

In the year ended 31 December 2016 the Group delivered a solid financial performance with sustained improvement in all key financial metrics, despite a more challenging market environment.

Adjusted operating profit for the year, as set out in the table below, was £38.8m (2015: £36.6m) with statutory operating profit, reduced by exceptional charges for the cost reduction programme and by an impairment charge, at £23.5m (2015: £11.4m). A reconciliation between the operating profit measures is given in the Group statement of comprehensive income.

Segmental performance

Group revenue increased by 2% to £158.7m (2015: £155.9m), including revenue from the 2015 Pinbellcom acquisition in Primary & Community Care of £1.2m (2015: £0.7m).

The revenue growth in the year included varied performance from the Group's segments. The Primary & Community Care business delivered 6% organic revenue growth and 8% organic profit growth, driven by good progress in market share in CCMH, the Partner programme and Patient revenues.

Performance in the Community Pharmacy business was again strong, boosted by some paid-for development work in connection with the new ProScript Connect product, in advance of the accelerated roll out into the estate being delivered in 2017 and 2018.

Results in the Secondary & Specialist Care segment were behind expectations, with the slowdown in Secondary Care procurements and the transfer of £1.9m Mental Health revenues to the Primary & Community Care segment resulting in a reduction in revenues overall. However, the actions taken early in the year to address the cost base for the Secondary Care business resulted in an improvement in underlying profitability. In Specialist, strong revenue growth was secured with new contracts won by EMIS Care, but profit reduced due to additional costs associated with the implementation of those new contracts in geographical areas previously operated by the NHS. However, focus on delivering operational efficiencies is expected to improve the profit profile over the life of the contracts as described in the Operational review, thereby positioning it for stronger financial performance ahead.

Selected financial extracts

	2016				2015			
	Primary & Community Care £m	**Community Pharmacy £m**	**Secondary & Specialist Care £m**	**Total £m**	Primary & Community Care £m	Community Pharmacy £m	Secondary & Specialist Care £m	Total £m
Revenue	**99.6**	**21.4**	**37.7**	**158.7**	93.9	20.0	42.0	155.9
Adjusted segmental operating profit	**32.2**	**4.9**	**3.3**	**40.4**	29.6	4.3	4.2	38.1
Group expenses				**(1.6)**				(1.5)
Adjusted operating profit[1]				**38.8**				36.6
Adjusted operating margin	**32.3%**	**22.8%**	**8.7%**	**24.4%**	31.5%	21.2%	10.0%	23.4%

1. Excludes capitalisation and amortisation of development costs, amortisation of acquired intangibles and exceptional items.

Revenue mix

Group recurring revenue, principally licences, maintenance & software support, hosting and other support services, was £128.5m (2015: £123.0m), representing 81% of total revenue (2015: 79%). This high level of recurring revenue and the strength of the Group's customer relationships continue to provide an excellent foundation for the business to invest with confidence in developing future products and services, as well as providing good visibility of future financial performance.

The drivers of revenue change within the Group included the following:

- licences, driven significantly higher to £54.8m (2015: £50.3m), principally as a result of growth in Primary & Community Care, particularly in the Partner programme and Patient, but also with some one-off development revenues in Community Pharmacy;
- maintenance & software support, which increased slightly overall to £38.6m (2015: £37.9m) with growth in CCMH;
- other support services, where the £1.8m year on year revenue growth from new contracts won in EMIS Care was more than offset by a reduction in project engineering revenues and lower levels of supporting revenues in Secondary Care

and Community Pharmacy, resulting in broadly flat total revenues of £29.3m (2015: £30.6m);

- training, consultancy and implementation, which reduced to £14.6m (2015: £16.1m), with fewer large implementation projects in Secondary Care;
- hosting, which was unchanged at £13.1m (2015: £13.1m), as a result of a reduction in funded hosting asset revenues offset by CCMH hosting growth; and
- hardware revenues, which increased to £8.3m (2015: £7.9m) with higher sales of the EMIS Anywhere mobile product.

Profitability

Adjusted operating profit increased by 6% to £38.8m (2015: £36.6m). The 6% organic profit growth in the year was delivered by stronger growth in the Primary & Community Care and Community Pharmacy businesses, partly offset by lower than expected results in Specialist Care.

The operating margin nonetheless increased to 24.4% (2015: 23.4%) with a strong focus on cost control in staff costs delivering this improvement in the context of a lower pace of revenue growth than in recent years.

Group staff costs increased with staff numbers at the year-end increasing to 1,922 (2015: 1,897), including 15 from the Intrelate business acquired at the end of the year. The average headcount increased to 1,875 (2015: 1,863). The increase has been driven by growth in EMIS Care to support the new programmes implemented during the year and the planned expansion of the Indian development team, numbering 128 at the end of 2016, building upon a subcontracted arrangement in place during 2015.

The Group has recognised three exceptional items in arriving at profit before tax in 2016. The first relates to the cost reduction programme carried out during the year. This programme was initially focussed on the Secondary Care business, but was expanded to encompass other parts of the Group in response to the more challenging trading conditions which emerged during the year. The programme, which resulted in a charge of £3.6m in the year, delivered a cost-saving of £3.0m in 2016, rising to over £5.0m on an annual basis, and has directly reduced headcount by 110.

The second, a non-cash charge of £4.6m, relates to the carrying value of goodwill arising on the Medical Imaging (EMIS Care) acquisition, and reflects the fact that the business has not yet delivered the financial returns expected when the business joined the Group in 2014.

The third is a credit of £1.5m, recognised after operating profit, and relates to the profit realised on the disposal of the Group's minority investment in Pharmacy2U during the year.

After accounting for the operating exceptional items, the capitalisation and amortisation of development costs, and for the amortisation of acquired intangibles, statutory operating profit was £23.5m (2015: £11.4m).

Taxation

The tax charge for the year of £5.2m (2015: £5.6m) includes a credit of £0.4m, arising from the finalisation of prior years' tax returns. Excluding this credit and a small deferred tax adjustment in respect of the lowering of future tax rates, the effective tax rate for the year was 20.0% (2015: 20.2%) on profit before tax and the non-deductible/taxable exceptional items.

Earnings per share (EPS)

Adjusted basic and diluted EPS increased by 9% to 49.4p and 49.2p respectively (2015: 45.3p and 45.1p). The statutory basic and diluted EPS were 30.4p and 30.3p respectively (2015: 7.2p for both measures).

Dividend

Subject to shareholder approval at the Annual General Meeting on 28 April 2017, the Board proposes an increase in the final dividend to 11.7p (2015: 10.6p) per ordinary share, payable on 3 May 2017 to shareholders on the register at the close of business on 31 March 2017. This would make a total dividend of 23.4p (2015: 21.2p) per ordinary share for 2016. This is 10% higher than in the prior year, reflecting the Board's commitment to increasing dividends in line with growth in adjusted EPS and its continued confidence in the Group's prospects.

Cash flow and net debt

The principal movements in net debt were as follows:

	2016	2015
	£m	£m
Cash from operations:		
Cash generated from operations	**43.7**	42.7
Less: internal development costs capitalised	**(5.7)**	(6.2)
Net cash generated from operations	**38.0**	36.5
Business combinations	**(3.8)**	(5.2)
Net capital expenditure	**(5.9)**	(7.2)
Transactions in own shares	**0.6**	0.6
Tax	**(7.7)**	(6.9)
Dividends	**(14.0)**	(12.4)
Other	**1.5**	(2.7)
Change in net debt in the year	**8.7**	2.7
Net debt at end of year	**(0.4)**	(9.1)

Net cash generated from operations increased by 4% to £38.0m (2015: £36.5m), with a lower level of working capital outflow compared to the prior year. Net cash from operations is stated after expensing the £3.1m cash cost of the cost reduction programme in the year. On an adjusted basis, adding back this cost, cash flow from operations was 12% higher than in 2015.

The Group completed the acquisition of Intrelate in the year for net cash consideration of £0.8m and also paid £3.0m of contingent consideration in respect of the 2014 Medical Imaging acquisition. There are no outstanding acquisition related payments on the year end balance sheet.

Net cash spent on capital expenditure (excluding capitalised development costs) reduced to £5.9m (2015: £7.2m). Capital additions in the year included £5.0m on computer equipment (£2.6m of which related to hosting contract assets).

The Group's Employee Benefit Trust received £0.6m (2015: £0.6m) for shares transferred in connection with the Group's share schemes. After tax, dividends and other payments, including the £1.5m receipt relating to the disposal of the Group's minority interest in Pharmacy2U in the year, the total net cash inflow of £8.7m resulted in a year-end net debt position of £0.4m (2015: £9.1m), comprised of cash of £4.3m and bank overdraft and debt of £4.7m. At 31 December 2016, the Group had available bank facilities of £18.0m committed until 30 June 2017. The Group has commenced a process to secure replacement facilities to provide flexibility to meet day-to-day working capital requirements, support the Group's organic growth, secure M&A opportunities and provide appropriate levels of cash return to shareholders in line with the Group's capital allocation policy.

Group statement of comprehensive income
for the year ended 31 December 2016

	Notes	**2016 £'000**	2015 £'000
Revenue	2,3	**158,712**	155,898
Costs:			
Changes in inventories		**609**	(344)
Cost of goods and services		**(14,760)**	(12,611)
Staff costs[1]		**(71,197)**	(67,465)
Other operating expenses[2]		**(31,750)**	(45,873)
Depreciation of property, plant and equipment		**(4,504)**	(4,665)
Amortisation of intangible assets	8	**(13,571)**	(13,510)
Adjusted operating profit		**38,753**	36,553
Development costs capitalised	8	**5,684**	6,183
Amortisation of intangible assets[3]	8	**(12,652)**	(12,806)
Cost reduction programme	4	**(3,630)**	-
Impairment of goodwill	4	**(4,616)**	(16,183)
Impairment of investment	4	**-**	(2,317)
Operating profit	2	**23,539**	11,430
Finance income		**188**	28
Finance costs		**(425)**	(477)
Share of result of associate		**-**	(388)
Share of result of joint venture		**499**	339
Gain on sale of associate	4	**1,532**	-
Profit before taxation		**25,333**	10,932
Income tax expense	5	**(5,208)**	(5,558)
Profit for the year		**20,125**	5,374
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation differences		**27**	(111)
Other comprehensive income		**27**	(111)
Total comprehensive income for the year		**20,152**	5,263
Attributable to:			
- equity holders of the parent		**19,128**	4,432
- non-controlling interest in subsidiary company		**1,024**	831
Total comprehensive income for the year		**20,152**	5,263

Earnings per share attributable to equity holders of the parent	6	**Pence**	Pence
Basic		**30.4**	7.2
Diluted		**30.3**	7.2

[1] Including cost reduction programme costs of £3,387,000 (2015: £nil).

[2] Including contract asset depreciation of £1,955,000 (2015: £3,175,000), cost reduction programme costs of £243,000 (2015: £nil), goodwill impairment of £4,616,000 (2015: £16,183,000) and investment impairment of £nil (2015: £2,317,000).

[3] Excluding amortisation of computer software used internally of £919,000 (2015: £704,000).

Group balance sheet
as at 31 December 2016

	Notes	**2016 £'000**	2015 £'000
ASSETS			
Non-current assets			
Goodwill		**50,336**	54,388
Other intangible assets	8	**60,617**	66,995
Property, plant and equipment		**22,187**	22,032
Investment in joint venture and associate		**152**	131
		133,292	143,546
Current assets			
Inventories		**1,815**	1,206
Trade and other receivables		**39,970**	33,893
Cash and cash equivalents	10	**4,303**	4,701
		46,088	39,800
Total assets		**179,380**	183,346
LIABILITIES			
Current liabilities			
Trade and other payables		**(21,089)**	(17,777)
Current tax liabilities		**(1,918)**	(3,183)
Bank loans	10	**(1,951)**	(5,402)
Bank overdraft	10	**(2,782)**	(6,457)
Contingent acquisition consideration		**-**	(3,000)
Deferred income		**(28,418)**	(28,000)
		(56,158)	(63,819)
Non-current liabilities			
Bank loans	10	**-**	(1,951)
Deferred tax liability		**(9,080)**	(10,530)
		(9,080)	(12,481)
Total liabilities		**(65,238)**	(76,300)
NET ASSETS		**114,142**	107,046
EQUITY			
Ordinary share capital		**633**	633
Share premium		**51,045**	51,045
Own shares held in trust		**(2,275)**	(2,929)
Retained earnings		**58,239**	52,848
Other reserve		**2,027**	2,000
Equity attributable to owners of the parent		**109,669**	103,597
Non-controlling interest		**4,473**	3,449
TOTAL EQUITY		**114,142**	107,046

Group statement of cash flows
for the year ended 31 December 2016

	Notes	**2016 £'000**	2015 £'000
Cash generated from operations	9	**43,657**	42,711
Finance costs		**(328)**	(450)
Finance income		**4**	28
Tax paid		**(7,655)**	(6,896)
Net cash generated from operating activities		**35,678**	35,393

Cash flows from investing activities			
Purchase of property, plant and equipment		**(5,413)**	(6,145)
Proceeds from sale of property, plant and equipment		**527**	644
Development costs capitalised	8	**(5,684)**	(6,183)
Purchase of software	8	**(987)**	(1,730)
Dividends received		**400**	-
Business combinations		**(3,849)**	(5,231)
Proceeds from sale of associate		**1,532**	-
Net cash used in investing activities		**(13,474)**	(18,645)
Cash flows from financing activities			
Transactions in own shares held in trust		**579**	589
Bank loan repayments		**(5,500)**	(11,500)
Non-controlling interest dividend paid		**-**	(2,110)
Dividends paid	7	**(14,006)**	(12,422)
Net cash used in financing activities		**(18,927)**	(25,443)
Net increase/(decrease) in cash and cash equivalents		**3,277**	(8,695)
Cash and cash equivalents at beginning of year		**(1,756)**	6,939
Cash and cash equivalents at end of year	10	**1,521**	(1,756)

Cash and cash equivalents of £1,521,000 comprise cash of £4,303,000 and a bank overdraft of £2,782,000.

Group statement of changes in equity

for the year ended 31 December 2016

	Share capital £'000	Share premium £'000	Own shares held in trust £'000	Retained earnings £'000	Other reserve £'000	Non-controlling interest £'000	Total equity £'000
At 1 January 2015	633	51,045	(3,718)	60,109	2,111	4,728	114,908
Profit for the year	-	-	-	4,543	-	831	5,374
Transactions with owners							
Share acquisitions less sales	-	-	789	(200)	-	-	589
Share-based payments	-	-	-	684	-	-	684
Deferred tax in relation to share-based payments	-	-	-	134	-	-	134
Dividends paid (note 7)	-	-	-	(12,422)	-	(2,110)	(14,532)
Other comprehensive income							
Currency translation differences	-	-	-	-	(111)	-	(111)
At 31 December 2015	633	51,045	(2,929)	52,848	2,000	3,449	107,046
Profit for the year	-	-	-	19,101	-	1,024	20,125
Transactions with owners							
Share acquisitions less sales	-	-	654	(75)	-	-	579
Share-based payments	-	-	-	473	-	-	473
Deferred tax in relation to share-based payments	-	-	-	(102)	-	-	(102)
Dividends paid (note 7)	-	-	-	(14,006)	-	-	(14,006)
Other comprehensive income							
Currency translation differences	-	-	-	-	27	-	27
At 31 December 2016	**633**	**51,045**	**(2,275)**	**58,239**	**2,027**	**4,473**	**114,142**

Notes to the preliminary announcement

for the year ended 31 December 2016

1. Basis of preparation

The financial information set out in this preliminary announcement does not constitute the company's statutory financial statements for the years ended 31 December 2016 or 2015 but is derived from those financial statements.

Statutory financial statements for 2015 have been delivered to the registrar of companies and those for 2016 will be delivered in due course. The auditors have reported on those financial statements; their reports were (i) unqualified (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The statutory financial statements for the year ended 31 December 2016 will be posted no later than 29 March 2017 to shareholders and, once approved, will be delivered to the Registrar of Companies following the Annual General Meeting on 28 April 2017.

Copies of the Annual Report and financial statements for the year ended 31 December 2016 will be available on the company's website (https://www.emisgroupplc.com/investors) from 29 March 2017 and from the Company Secretary, EMIS Group plc, Rawdon House, Green Lane, Yeadon, Leeds LS19 7BY.

2. Segmental information

IFRS 8 'Operating Segments' provides for segmental information disclosure on the basis of information reported internally to the chief operating decision-maker for decision-making purposes. The Group considers that this role is performed by the main Board.

The Group has three operating segments, all involved with the supply and support of connected healthcare software and services:

(a) Primary & Community Care;
(b) Community Pharmacy; and
(c) Secondary & Specialist Care.

Each operating segment is assessed by the Board based on a measure of adjusted operating profit. This measurement basis excludes exceptional items, the effect of capitalisation and amortisation of development costs, and the amortisation of acquired intangible assets as the Board considers this to provide the best measure of underlying performance. Group operating expenses, finance income and costs, cash and cash equivalents and bank loans and overdrafts are not allocated to segments, as group and financing activities are not segment specific.

	2016				2015			
	Primary & Community Care £'000	**Community Pharmacy £'000**	**Secondary & Specialist Care £'000**	**Total £'000**	Primary & Community Care £'000	Community Pharmacy £'000	Secondary & Specialist Care £'000	Total £'000
Revenue	**99,615**	**21,425**	**37,672**	**158,712**	93,860	20,013	42,025	155,898
Segmental operating profit as reported internally	**32,202**	**4,876**	**3,292**	**40,370**	29,603	4,248	4,182	38,033
Development costs capitalised	**1,882**	**1,927**	**1,875**	**5,684**	3,031	1,017	2,135	6,183
Amortisation of development costs	**(4,497)**	**-**	**(1,516)**	**(6,013)**	(5,396)	-	(901)	(6,297)
Amortisation of acquired intangible assets	**(1,054)**	**(576)**	**(5,009)**	**(6,639)**	(923)	(577)	(5,009)	(6,509)
Cost reduction programme	**(1,162)**	**(140)**	**(2,328)**	**(3,630)**	-	-	-	-
Impairment of goodwill	**-**	**-**	**(4,616)**	**(4,616)**	-	-	(16,183)	(16,183)

Segmental operating profit/(loss)	**27,371**	**6,087**	**(8,302)**	**25,156**	26,315	4,688	(15,776)	15,227
Group operating expenses				**(1,617)**				(1,480)
Impairment of investment				**-**				(2,317)
Operating profit				**23,539**				11,430
Net finance costs				**(237)**				(449)
Share of result of associate				**-**				(388)
Share of result of joint venture				**499**				339
Gain on sale of associate				**1,532**				-
Profit before taxation				**25,333**				10,932

Revenue excludes intra-group transactions on normal commercial terms from the Primary & Community Care segment to the Community Pharmacy segment totalling £4,254,000 (2015: £3,750,000), from the Primary & Community Care segment to the Secondary & Specialist Care segment totalling £411,000 (2015: £883,000), and from the Secondary & Specialist Care segment to the Primary & Community Care segment totalling £nil (2015: £33,000).

Revenue of £112,396,000 (2015: £112,786,000) is derived from the NHS and related bodies.

Revenue of £7,270,000 (2015: £6,942,000) is derived from customers outside the United Kingdom.

3. Revenue analysis

	2016 £'000	2015 £'000
Licences	**54,762**	50,300
Maintenance and software support	**38,654**	37,887
Other support services	**29,340**	30,611
Training, consultancy and implementation	**14,572**	16,128
Hosting	**13,120**	13,075
Hardware	**8,264**	7,897
	158,712	155,898

4. Exceptional items

	2016 £'000	2015 £'000
Cost reduction programme	**(3,630)**	-
Impairment of goodwill	**(4,616)**	(16,183)
Impairment of investment	**-**	(2,317)
Gain on sale of associate	**1,532**	-
	(6,714)	(18,500)

The cost reduction programme relates to redundancy and restructuring costs, primarily within the Secondary & Specialist Care segment.

The impairment of goodwill in 2016 relates to the EMIS Care (Medical Imaging) cash-generating unit (CGU), as a result of a reduction in its projected cash flows, and reflects the fact that the current financial returns are below the level expected when the business joined the Group in 2014. While a change in management team during 2016 has made significant progress in turning around the financial performance of the business, given the long term nature of its contracts, it will take some time to return the business to the anticipated level of profit contribution.

The impairment of goodwill in 2015 relates to the Secondary Care (Ascribe) CGU, as a result of a reduction in its projected cash flows. The impairment of investment in 2015 relates to a full impairment of the carrying value in the group's minority investment in Pharmacy2U, as a result of a reduction in its projected cash flows following a difficult trading period. This investment was subsequently disposed of in 2016, giving rise to the gain on sale of associate.

5. Income tax expense

	2016 £'000	2015 £'000
Income tax:		
- current year tax charge	**7,307**	7,943
- adjustment in respect of prior years	**(422)**	-
Total current tax	**6,885**	7,943
Deferred tax:		

- current year	**(1,677)**	(2,385)
Total deferred tax	**(1,677)**	(2,385)
Total tax charge in Group statement of comprehensive income	**5,208**	5,558

Factors affecting the tax charge for the year		
Profit before taxation	**25,333**	10,932
Taxation at the average UK corporation tax rate of 20% (2015: 20.25%)	**5,067**	2,214
Tax effects of:		
- expenses/income not allowable/taxable in determining taxable profit	**707**	3,726
- adjustment in respect of prior years	**(422)**	-
- joint venture reported net of tax	**(100)**	-
- deferred tax rate change	**(44)**	(382)
Tax charge for the year	**5,208**	5,558

6. Earnings per share (EPS)

The calculation of basic and diluted EPS is based on the following earnings and numbers of shares:

Earnings	**2016 £'000**	2015 £'000
Basic earnings attributable to equity holders	**19,101**	4,543
Cost reduction programme	**3,630**	-
Impairment of goodwill	**4,616**	16,183
Impairment of investment	**-**	2,317
Gain on sale of associate	**(1,532)**	-
Development costs capitalised	**(5,684)**	(6,183)
Amortisation of development costs and acquired intangible assets	**12,652**	12,806
Tax and non-controlling interest effect of above items	**(1,776)**	(1,266)
Adjusted earnings attributable to equity holders	**31,007**	28,400

Weighted average number of ordinary shares	**2016 Number '000**	2015 Number '000
Total shares in issue	**63,311**	63,311
Shares held by Employee Benefit Trust	**(502)**	(576)
For basic EPS calculations	**62,809**	62,735
Effect of potentially dilutive share options	**215**	230
For diluted EPS calculations	**63,024**	62,965

EPS	**2016 Pence**	2015 Pence
Basic	**30.4**	7.2
Adjusted	**49.4**	45.3
Basic diluted	**30.3**	7.2
Adjusted diluted	**49.2**	45.1

7. Dividends

	2016 £'000	2015 £'000
Final dividend for the year to 31 December 2014 of 9.2p	**-**	5,771
Interim dividend for the year to 31 December 2015 of 10.6p	**-**	6,651
Final dividend for the year to 31 December 2015 of 10.6p	**6,656**	-
Interim dividend for the year to 31 December 2016 of 11.7p	**7,350**	-
	14,006	12,422

A final dividend for the year to 31 December 2016 of 11.7p amounting to approximately £7,354,000 will be proposed at the Annual General Meeting on 28 April 2017. If approved, this dividend will be paid on 3 May 2017 to shareholders on the register on 31 March 2017. The dividend is not accounted for as a liability in these financial statements and will be accounted for as an appropriation of distributable reserves in the year to 31 December 2017.

8. Other intangible assets

	Computer software used internally £'000	Computer software developed for external sale £'000	Computer software acquired on business combinations £'000	Customer relationships £'000	Total £'000
Cost					
At 1 January 2015	2,810	28,660	35,217	35,113	101,800
Additions	1,730	6,183	-	-	7,913
Acquisition of business	-	-	844	928	1,772
At 31 December 2015	4,540	34,843	36,061	36,041	111,485
Additions	987	5,684	-	-	6,671
Acquisition of business	-	-	259	263	522
At 31 December 2016	**5,527**	**40,527**	**36,320**	**36,304**	**118,678**
Accumulated amortisation and impairment					
At 1 January 2015	665	7,300	13,002	10,013	30,980
Charged in year	704	6,297	3,469	3,040	13,510
At 31 December 2015	1,369	13,597	16,471	13,053	44,490
Charged in year	919	6,013	3,553	3,086	13,571
At 31 December 2016	**2,288**	**19,610**	**20,024**	**16,139**	**58,061**
Net book value					
At 31 December 2016	**3,239**	**20,917**	**16,296**	**20,165**	**60,617**
At 31 December 2015	3,171	21,246	19,590	22,988	66,995
At 1 January 2015	2,145	21,360	22,215	25,100	70,820

9. Cash generated from operations

	2016 £'000	2015 £'000
Profit before taxation	**25,333**	10,932
Finance income	**(188)**	(28)
Finance costs	**425**	477
Share of result of associate	**-**	388
Share of result of joint venture	**(499)**	(339)
Gain on sale of associate	**(1,532)**	-
Operating profit	**23,539**	11,430
Adjustment for non-cash items:		
Amortisation of intangible assets	**13,571**	13,510
Depreciation of property, plant and equipment	**6,459**	7,840
Impairment of goodwill	**4,616**	16,183
Impairment of investment	**-**	2,317
Profit on disposal of property, plant and equipment	**(229)**	(44)
Share-based payments	**473**	684
Operating cash flow before changes in working capital	**48,429**	51,920
Changes in working capital:		
(Increase)/decrease in inventory	**(609)**	344
Increase in trade and other receivables	**(6,369)**	(3,945)
Increase/(decrease) in trade and other payables	**1,915**	(3,246)
Increase/(decrease) in deferred income	**291**	(2,362)
Cash generated from operations	**43,657**	42,711

10. Change in net debt

	2015 £'000	Cash flow £'000	Finance costs £'000	**2016 £'000**
Cash and cash equivalents	4,701	(398)	-	**4,303**

Bank overdraft	(6,457)	3,675	-	**(2,782)**
Bank loans due within one year	(5,402)	3,500	(49)	**(1,951)**
Bank loans due after one year	(1,951)	2,000	(49)	**-**
Net debt	(9,109)	8,777	(98)	**(430)**

11. Business combinations

On 22 December 2016 the Group acquired 100% of the share capital of Intrelate Limited, a provider of mobile social care software. The acquisition is in line with the Group's strategy of providing connected health and social care IT for patients and those involved in their care.

The provisional fair values of the net assets acquired, consideration paid and goodwill arising on the transaction are shown in the table below:

	£'000
Goodwill	564
Intangible assets acquired:	
- computer software	259
- customer relationships	263
Property, plant and equipment	2
Trade and other receivables	101
Cash and cash equivalents	196
Trade and other payables	(93)
Deferred income	(127)
Deferred tax	(120)
Total net assets	**1,045**
Consideration:	
Cash consideration	1,045
Total consideration	**1,045**
Cash and cash equivalent balances acquired	(196)
Net cash cost of acquisition paid in year	**849**

Goodwill relates principally to the experienced staff within the business.

Provisional fair values of assets and liabilities represent the best estimate of the fair values at the date of acquisition. As permitted by IFRS 3 (Revised) 'Business Combinations', these provisional amounts can be amended for a period of up to 12 months following acquisition if subsequent information becomes available which changes the estimates of fair values at the date of acquisition.

The post-acquisition contribution of the acquired business to Group revenue and adjusted operating profit is not material to the year under review as the business was only acquired on 22 December 2016, immediately prior to the year end. Had the acquisition occurred on 1 January 2016, the Group's revenue and adjusted operating profit for the year would have been £159,719,000 and £38,764,000 respectively.

In relation to the acquisition, costs of £30,000 have been expensed in the statement of comprehensive income.

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Final Results - RNS