

A good first half building the customer base

ALASTAIR BATHGATE, CEO, COMMENTED: “I am delighted with our progress in the first half of 2019, with an increase in deal momentum driven by the new commercial framework which we introduced to make Blue Prism easier to adopt. We have a good track record of helping customers scale, which provides an opportunity to upsell this new cohort. The RPA market continues to develop into a significant software category, and we are increasingly well positioned to capitalise on this. We are investing into this opportunity, including the acquisition of Thoughtonomy, announced today, which is an important step in targeting the mid-tier and developing our enterprise cloud approach.”

FINANCIAL HIGHLIGHTS £M	1H19		1H18	% MOVEMENT (IAS 18)
	IAS 18	IFRS 15	IAS 18	
Group revenue	41.6	40.4	22.9	82%
Exit monthly recurring revenue**	7.6	7.6	4.7	62%
Recurring licence revenues	97%	97%	93%	-
Adjusted EBITDA*	(34.0)	(31.0)	(4.2)	(710)%
Operating cash flow	(18.6)	(18.6)	(0.5)	(3620)%
Net cash	129.4	129.4	54.6	137%

The Group adopted IFRS 15 at the start of 2019. For ease of reconciliation to 2018 performance, the table above presents key financials presented under both IFRS 15 and the previous accounting standard, IAS 18

*Adjusted EBITDA is EBITDA loss adjusted to exclude share-based payments

** MRR restated to reflect the full impact of deals secured during the last month of the period

SALES HIGHLIGHTS	1H19	1H18	% MOVEMENT
Number of deals	911	559	63%
New customer wins	349	223	57%
Upsells	496	298	66%
Renewals	99.5%	100%	-
Total customers at period end	1,337	700	91%

OPERATIONAL HIGHLIGHTS

- Continued to invest in sales & marketing to drive future growth
 - New commercial framework introduced in 2H18 in order to drive adoption has increased deal count
 - 174% growth in Sales & Marketing headcount since 1H18 to support growth and improve reach
 - New strategic hires with the appointment of Chief Sales Officer, Chief Customer Officer and Chief Marketing Officer, all based out of key US market
 - Successfully launched the ‘connected-RPA’ marketing messaging to effectively communicate the value proposition of the product to customers and to centralise communications as the business grows
 - Customer base now covers 27% of Forbes Global 2000
- Customer Success, designed to drive upsells and maintain retention rates beginning to roll out across the customer base
- Deepening relationships across the partner network – including enhanced strategic alliance with EY
- Investment continues into delivering the six skills that drive intelligent automation
 - 37 Technology partnerships with vendors including Microsoft, Amazon and Google
 - Expanding Blue Prism Labs in London, PhD level heads introduced to drive the AI roadmap forward
 - Launched Decipher, an AI powered document processing tool that can actively learn, announced in May 2019
 - Launched Digital Exchange version 2, with increased adoption - 2,600 users, across 512 customers
- Acquisition of Thoughtonomy agreed for aggregate consideration of up to £80m, enhances cloud capabilities and directly addresses the mid-tier market

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FINANCIAL CALENDAR

Full year results	23 January 2020
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ANALYST PRESENTATION

Alastair Bathgate, CEO & Ijoma Maluza, CFO, will host an analyst presentation today (19 June 2019) at FTI Consulting (200 Aldersgate Street, London EC1A 4HD) at 9am BST.

The presentation will also be webcast live and available via a replay facility shortly after the live event via the following link:

<http://view-w.tv/1041-1571-21874/en>

RESULTS FOR THE SIX MONTHS ENDED 30 APRIL 2019

GROUP OPERATIONAL PERFORMANCE

The group operational performance review discusses performance measured under the IAS 18 standard. The remainder of the document, unless otherwise stated, reflects performance under IFRS 15. More details on IFRS 15 can be found in the Trading Performance section or in the notes to the accounts.

Group revenue increased 82%, as sales and upsells during the half year built on the exit revenue generated in FY18. MRR at 30 April 2019 was £7.6m, an increase of £1.4m on the FY2018 MRR of £6.2m. This growth in MRR was driven by new sales and upsells, with 911 deals in the period. In particular, the customer base grew to 1,337 direct customers with 349 additions, creating a large and diverse base from which to upsell and grow.

In the summer of 2018 the Group amended its commercial framework by introducing a 1-year, 1 Digital Worker minimum contract size (from 3-years and 10 Digital Workers) to increase flexibility in contracting with customers at different stages in their adoption. The Group's FY18 results highlighted that while this change should encourage initial adoption, it would also result in smaller initial deal sizes. As expected, this has materialised during 1H19 with initial adoption improving and deal sizes rebasing.

Customer attrition was very low, with 66 out of 69 contracts due to expire during the first half of 2019 being renewed.

In January 2019 the Group raised £100m (before issue costs) to accelerate and underwrite its investment plans to capitalise on the market opportunity and reinforce its status as a market leader. The planned investment across 2019 allows the Group to continue its global expansion by making investments in sales and marketing and to strengthen its proposition through continued product development. Adjusted EBITDA losses increased to £(34.0)m (1H18: £(4.2)m) as a result of these investments.

The operating loss before share-based payments was £(34.3)m (1H18: £(4.3)m). The reported operating loss after share-based payments and taxation was £(35.0)m (1H18: £(5.5)m).

MARKETPLACE

The initial market for Blue Prism was focused on the reduction of labour input costs by automating existing, rules-based processes. As the industry has begun to mature the potential for RPA has been realised further, with a shift in focus toward automating to deliver sophisticated and intelligent processes, often by using Blue Prism to bridge an organisations legacy application base with the latest in emerging technologies such as artificial intelligence (AI) or machine learning (ML). These improved processes can drive a broad spectrum of returns including revenue maximisation, improvements in customer service, full compliance with regulatory and other rules and organisational flexibility. Blue Prism also believes that true enterprise RPA can deliver competitive and strategic advantages, as it can allow organisations to empower their employees to create value and innovate like entrepreneurs by connecting them with the latest technologies and avoiding the constraints of legacy system architecture. The Group introduced the concept of *Connected-RPA* early in 2019 to begin effectively communicating its offering and the opportunity to the market.

There are use cases for RPA across organisations, but the main opportunity can be grouped into the enterprise tier and the mid-tier. These groups have distinct needs in terms of product functionality, with enterprise users often requiring full time RPA resource, either on servers or in the cloud and mid-market looking to a cloud based, on-demand software-as-a-service (SaaS) model. Blue Prism has historically focused its product and resources on the enterprise tier, where it estimates that 75% of the RPA opportunity exists. The acquisition of Thoughtonomy, announced today, incorporates a leading SaaS vendor into the Group's portfolio, and is expected to open the mid-tier opportunity to Blue Prism, as well as feeding into developments in the Group's enterprise cloud offering.

Blue Prism believes there is a huge enterprise market opportunity, which connected-RPA uniquely addresses, and has invested in product development to provide the scale and security this market demands via an autonomous (unassisted) solution. Hfs¹ recently commented that while the market has initially been focused on the adoption of attended RPA, which tends to be in the form of individual desktop deployments, these initial deployments would in future drive more unattended RPA as this is where they see the value proposition.

The returns that RPA can offer customers have resulted in a growing market which industry analysts expect to continue. A recent IDC report² (October 2018) estimated that the RPA market would reach \$3.7bn by 2022.

The Group firmly believes that the compelling opportunities in the RPA market will come from transformational, connected-RPA projects, but recognises that many customers will adopt initially in smaller deal volumes, particularly while the market remains at an early stage. To encourage this adoption the Group has made its commercial framework more flexible with the aim of driving transformational contracts via upsell as customers begin to see the material benefits of their deployments.

CUSTOMERS

During the first half of 2019 there has been significant growth in the customer base. During the period the Group added 349 new customers, the largest number of additions in a half year period in its history. The total customer base at 30 April 2019 was 1,337, providing a large and diverse customer base from which to upsell.

<u>SALES HIGHLIGHTS</u>	<u>1H19</u>	<u>2H18</u>	<u>1H18</u>
Number of deals	911	800	559
New customer wins	349	305	223
Upsells	496	425	298
Renewals	66	69	39
Total customers (closing)	1,337	992	700

The acquisition of Thoughtonomy will increase the current number of direct customers to the Group by 77, to a total of 1,414. It is estimated that Thoughtonomy currently serves around 200 customers indirectly.

The period also saw an increased number of upsells, with 496 upsells into 290 customers, demonstrating the opportunity that new customers represent over time. The Group's own analysis of customer cohort behaviour indicates that customers won in FY2017 are now spending twice their initial investment. Upsells on average are approximately 60% larger than a new deal by the number of Digital Worker, however the Group believes that many upsell customers are still gradually building their deployments with small and frequent transactions, demonstrated by the number of repeat upsells in the period.

There were notable deals secured towards the end of the half, in particular a 3-year, contract with Telefonica with an initial contract for over 500 Digital Workers. Telefonica will use the deployment to realise their ambition to maintain and enhance their position as a market leader by embracing intelligent automation. The Group views this deal as indicative of the potential of the marketplace, as well as the capabilities of Blue Prism, *connected-RPA*, and its technology partner ecosystem.

Blue Prism also saw very strong retention of its customer base. Of the 69 customers with expired contracts during the period, 66 were renewed.

The Group continues to work with its channel partner network to increase business across new and existing customers and manage the implementation of Blue Prism's Digital Workforce. In particular during the period Blue

¹ Hfs 'The Future of Business Operations is here' 30 November 2018

² IDC Worldwide Robotic Process Automation Software Forecast, 2018-2022

Prism announced a strengthened global alliance with one of its key partners, EY. This includes leveraging Blue Prism's platform as part of EY's Azure based SaaS service launched in India and planned to roll out globally.

While the partner network remains a critical route to market, the Group also acknowledges that in a competitive marketplace a proactive pre- and post-sales approach is essential. During 2019 Blue Prism introduced high touch pre-sales customer engagement to complement the partner model.

Following a pilot in 2018 the Group introduced its post-sales Customer Success function, designed to encourage upselling and maximise retention. This investment, while early, is already showing good returns, with upsell progress across the customers covered. It has also continued to build and enhance its strong community, with a new customer portal designed to integrate touch points and bring the community together introduced, and a series of customer events including six Blue Prism Cafes, a monthly webinar series on intelligent automation and the future of work, five Blue Prism Pulse events, which are aimed at building local communities of users and Blue Prism World events, which bring together customers, partners and key employees, in London in April 2019 and Orlando in May 2019.

PEOPLE

People are critical to achieving the Group's growth strategies and have been the focus of significant investment within the first half of the year. As at 30 April 2019 the Group had 703 employees.

<u>NUMBER OF EMPLOYEES</u>	<u>1H19</u>	<u>FY18</u>	<u>1H18</u>
EMEA	336	231	149
Americas	242	162	92
APAC	125	76	32
Total	703	469	273

The Group has continued to invest in the people needed to underpin its growth into the developing marketplace. New hires were made across all functions

Sales & Marketing remain the majority of the Group's employee base and are vital to growing the customer base and generating future value via upsells. The Group has been investing in further resource to achieve these goals.

The Group estimates that quota carrying sales take 12 months to become effective. In addition to quota carrying sales the total sales & marketing headcount will also include employees in marketing, technical sales and sales operations, who are essential to the long-term growth of the business.

The Group has also invested in a Customer Success function, which engages with partners and customers to help unlock the full value from the Group's Digital Workforce and is intended to increase post sale contact to minimize attrition and maximise upselling potential.

Sales & Marketing has grown 174% since 1H18. As expected this growth, combined with a revised commercial model, and a higher touch sales process, has resulted in rebased sales productivity. The Group has several ongoing initiatives, implemented during this growth phase to reorganise and realign the sales organisation, including a formalised training programme for new recruits, geographical focus of management and resources onto key markets, revised sales incentivisation and a number of new key sales management appointments.

During the period the Group has also made key Executive recruits in order to build a leadership team to support the size and growth rate of the organisation. New hires were made in the Chief Sales Officer, Chief Customer Officer, Chief Marketing Officer and Chief People Officer roles, with continuing strengthening of the leadership team planned.

PRODUCT

Blue Prism is an enterprise software product – a platform which can be implemented in any organisation allowing automation of processes without customisation or coding.

The product was built on three core principles – that it is business led, controllable, and embeds intelligence. As a result of adhering to these principles the product today is secure and scalable, particularly with regards to the number and frequency of transactions, and the complexity of processes that can be automated. These principles underpin the Group's connected-RPA offering.

To complement in-built intelligence in the platform, and further support connected-RPA, the Group has developed a number of strategic relationships with technology partners who can offer services or applications that improve automations or open up potential automation opportunities. Examples of these alliances include Appian, ABBYY, Google, IBM and Microsoft. In November 2018 Blue Prism introduced the Digital Exchange (DX) which provides a 'shop window' to the capabilities of the partner network, as well as pre-built automations which can accelerate customers building and scaling of processes. The acquisition of Thoughtonomy will provide assets and content that can enrich the DX further.

In May 2019 version 2 of the DX was launched which included the direct download of Blue Prism and allowed discrete private areas for organisations to share automations between users. The download feature is the first step toward full ecommerce capability across assets advertised on the DX. It is anticipated that the DX will become increasingly central to Blue Prism and its customers over time.

Other R&D spend has centred on the establishment of Blue Prism Labs – a PhD level research department, based in London focused on driving cognitive technologies through the platform. The Labs were involved in the launch of Decipher, which was announced in March 2019. Decipher leverages AI to process unstructured data and ML to improve efficiency and repositions the model of humans teaching the Digital Workforce toward the Digital Workforce proactively 'machine learning'. The decision to integrate this product into the base platform was taken in response to analytics from the DX, which demonstrated an underlying demand for visual capabilities.

Blue Prism is increasingly focused on the market-wide cloud opportunity. The immediate cloud opportunity is within the mid-tier, and the acquisition of Thoughtonomy, announced today, provides this market with a direct cloud-based RPA SaaS solution. The Group already has multiple customers who deploy their Digital Workforce using cloud platforms, but anticipates that in time cloud-based solutions will become increasingly important to the enterprise market. As a result it is focusing product development into this area, with the Thoughtonomy acquisition feeding into the development of these solutions.

THOUGHTONOMY

Blue Prism has entered into an agreement to acquire the entire issued share capital of Thoughtonomy for an aggregate consideration of up to £80m.

Thoughtonomy is a software-as-a-service (SaaS) based product and cloud services business that combines Blue Prism's robotic process automation (RPA) platform alongside additional embedded and integrated artificial intelligence (AI) and cloud capabilities, including Computer Vision, Natural Language Processing and Machine Learning to provide a cloud-based, on-demand, intelligent automation platform. Additional features include ready-to-use channel interfaces such as chatbots and web-forms and an integrated AI-enabled digital workforce manager.

The RPA market opportunity exists in both the enterprise (>10,000 employees) and mid-tier (<10,000 employees). These tiers of the markets have distinct needs in terms of product functionality, with enterprise users often requiring full time RPA resource, either on servers or in the cloud, and mid-market looking to a cloud-based, on-demand software-as-a-service (SaaS) model. Blue Prism has previously focused its product and resources into creating a strong on-premise connected-RPA product which addresses enterprise requirements.

The acquisition of Thoughtonomy provides Blue Prism with a productised solution which simplifies and broadens access to its connected-RPA platform via turnkey SaaS capabilities, thereby opening up the mid-tier of the market. The Group expects synergies to be realised by leveraging its well-developed network of distribution partners in promoting and distributing this product.

Blue Prism anticipates that cloud-based RPA deployments will in time become increasingly required by enterprise users and, while it currently has numerous cloud-based deployments of its enterprise solution, the development of cloud-based products to further address the market requirements is a clear part of its product roadmap. The acquisition of Thoughtonomy, in particular its cloud orchestration tools, resources and skills, will feed into these product initiatives.

Based in London, Thoughtonomy was founded in 2013 by Terry Walby (CEO) and has grown into the leading provider of intelligent, cloud-based automation. Thoughtonomy currently has around 77 direct customers and approximately 200 indirect customers located worldwide. Thoughtonomy has historically targeted customers in the public sector, financial services, energy, outsourcers and service providers and uses a primarily partner driven business model, with key partners including Symphony, Digiblu and ISG.

Thoughtonomy has 54 employees, with over half dedicated to product related activities.

For the twelve months to 30 April 2019, Thoughtonomy had reported revenues of £9.8m and an adjusted operating loss of £(3.6)m. Adjusted revenues for the same period were £7.4m. Gross assets at 31 May 2018 were £5.6m.

STRATEGY

The Group's strategy has been designed to enhance its position as a market leader in the rapidly growing RPA market. Its key strategic goals are:

- *New customers:* The Group has a market leading product and wants to ensure it brings this to a wide market from which to upsell
- *Increase business with our existing customers:* RPA is most effective when deployed enterprise wide, and Blue Prism is designed from the core scalable, meaning there is an opportunity to upsell into the existing customer base
- *Renewals:* Blue Prism aims to have long-term relationships with customers, with low customer attrition

In January 2019 the Group raised £100 million in funding to support its strategy and accelerate growth. Funds were planned to be invested throughout 2019 in the following areas:

- Sales resources
- Marketing and thought leadership
- Research & Development
- Enhancing our Digital Exchange
- Investing in a customer success function
- Enhancing our organisational structure
- Reinforcing our balance sheet to take advantage of opportunities as they arise

OUTLOOK

The exit monthly recurring revenue generated by the sales momentum in the first six months of the year provides the Board with confidence that the Group's underlying 2019 performance, excluding the acquisition of Thoughtonomy will be in line with the expectations outlined at its trading update in November 2018 and reiterated at the full year results in January.

The full year results will also reflect IFRS 15, which is expected to increase revenues by £0.5m, reduce the EBITDA loss by £11.2m and create a contract asset on the statement of financial position of £24.0m.

The Board anticipates that the financial contribution from Thoughtonomy in the remaining three months of the Group's financial year will increase revenues by up to £3m and increase EBITDA losses by up to £2m. Looking beyond 2019, the Board expects that the full integration of Thoughtonomy into the Group's business model and distribution network will drive an increased performance in revenue.

TRADING PERFORMANCE

IFRS 15

The Group adopted IFRS 15 'Revenue from contracts with customers' on 1st November 2018. This accounting standard replaced IAS 18 'Revenue'. A table reconciling the impacts of this change in accounting standards is below:

<u>RECONCILIATION OF IFRS 15 & IAS 18</u>	<u>1H19 (IAS 18)</u>	<u>IFRS 15 IMPACT</u>	<u>1H19 (IFRS 15)</u>
Revenue	41.6	(1.2)	40.4
EBITDA	(34.0)	3.0	(31.0)

In the full year 2018 results in January 2019 the Group flagged that IFRS would impact revenue recognition, EBITDA (via changes to accounting for commissions on sales) and would also create an asset on the balance sheet related to the capitalisation of commissions.

IFRS 15 compels the Group to recognise a small portion (currently estimated at 5%) of revenue up front, which the Group estimates will be an uplift in the first year of implementing the standard. During the first half IFRS reduced revenue by £1.2m. This relates to the timing of revenue recognition on contracts. The Group continues to expect that IFRS 15 will be a small positive to revenue in the full year. More details can be found in the Outlook statement below.

With the exception of parts of the table on the front page and the Group Operational Performance on page 3, the statement discusses performance on an IFRS 15 basis.

REVENUES

Recognised revenue for the period increased 76% to £40.4m (1H18: £22.9m).

Recurring licence revenue accounted for 97% of recognised revenue at £39.3m (1H18: 94%, at £21.4m).

Professional services, training and other revenue for the period was £1.1m (1H18: £1.4m), as the Group continued its focus on licence-based revenue growth.

The monthly exit run rate is the amount of recurring revenue recognised in the Group's income statement at the last month of the reporting period. The metric, and its comparator, has been updated to reflect the full month impact of revenues won during the last month of the period so that it accurately reflects the Group's progress. The MRR recognised as at 30 April 2019 was £7.6m (FY18: £6.2m).

Recognised revenue by region were as follows:

	<u>1H19</u>		<u>1H18</u>		<u>% MOVEMENT</u>
	<u>£M</u>	<u>% OF TOTAL</u>	<u>£M</u>	<u>% OF TOTAL</u>	
EMEA	18.8	47%	11.9	52%	58%
Americas (inc. Latam)	16.2	40%	8.4	37%	93%
APAC	5.4	13%	2.6	11%	107%
Total	40.4	100%	22.9	100%	76%

LOSS FROM OPERATIONS

The Group recorded a loss from operations for the period (including share-based payments) of £(35.0)m, compared to £(5.5)m in 1H18. The increase primarily related to continued investment in the Group's international growth strategy, with significant investments in sales, marketing, product and underlying business infrastructure as outlined at the time of the equity fundraise in January 2019.

CASH FLOW

Cash and cash equivalents at the period end were £129.4m (30 April 2018: £54.6m). The increase relates to the net proceeds from the £100m fundraising in January 2019.

For the six months ended 30 April 2019 cash outflow from operating activities was £(18.9)m. EBITDA of £(31.0)m was offset by a £12.1m inflow from movements in working capital. Deferred revenue has increased by £11.8m in the six-month period.

The outflow was driven by investments in both the US and APAC regions to scale operations. Investments were primarily driven by headcount combined with a number of investments in infrastructure.

OTHER COMPREHENSIVE INCOME

During the period the translation of the overseas subsidiaries from their local currency into the Group's reporting currency resulted in other comprehensive gain of £0.4m (1H18: gain of £0.1m).

STATEMENT OF FINANCIAL POSITION

Deferred revenue was higher than the prior half year at £59.7m (1H18: £35.8m) in line with the growth of the business.

Trade and other receivables increased to £35.5m (1H18: £19.1m). This again was driven by the growth in the business seen in the half and also the capitalisation of costs of obtaining customer contracts under IFRS 15.

During the period development costs of £0.2m (1H18: nil) have been capitalised relating to product developments which will give rise to future economic benefits. These costs are being amortised over 18 months.

PRINCIPAL RISKS & UNCERTAINTIES

In day to day operations the Group faces risks and uncertainties. The Board aim to mitigate and manage these risks by regularly reviewing and assessing these risks and identifying suitable strategies to minimise the risks. The risks and mitigation strategies are described in more detail in the Annual Report and Accounts and a summary of the key risks is presented below:

- Failure of the market to accept the Group's operating model
- Issues with software reliability
- Issues with security breaches
- Potential cyber attacks
- Potential for rapid change in technology
- Challenges of operating in a competitive marketplace
- Growth management
- Unforeseen new regulations or laws
- Uncertainties surrounding the United Kingdom's decision to leave the European Union (Brexit)

Alastair Bathgate, CEO

Ijoma Maluza, CFO

BLUE PRISM GROUP PLC

Company number: 052218840

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 APRIL 2019

£M	Note	SIX MONTHS ENDED 30 APRIL 2019 (UNAUDITED)	SIX MONTHS ENDED 30 APRIL 2018 (UNAUDITED)	YEAR ENDED 31 OCTOBER 2018 (AUDITED)
Revenue	4	40.4	22.9	55.2
Cost of sales		-	-	-
Gross profit		40.4	22.9	55.2
Operating expenses		(75.0)	(28.4)	(81.2)
Operating expenses before share based payments		(71.7)	(27.2)	(77.2)
Share based payments		(3.3)	(1.2)	(4.0)
Operating expenses		(75.0)	(28.4)	(81.2)
Operating loss		(34.6)	(5.5)	(26.0)
Interest received on bank deposits		0.2	-	-
Loss before tax		(34.4)	(5.5)	(26.0)
Tax expense		(0.6)	-	(0.2)
Loss from operations		(35.0)	(5.5)	(26.2)
Other comprehensive income				
Exchange gains / (losses) on translation of foreign operations		0.4	0.1	(0.7)
Total other comprehensive income/(loss)		0.4	0.1	(0.7)
Total comprehensive loss for the year		(34.6)	(5.4)	(26.9)
Basic and diluted loss per share attributable to shareholders	6	(48.72)	(8.39)	(39.96)

BLUE PRISM GROUP PLC**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 APRIL 2019**

£M	Note	AT 30 APRIL 2019 (UNAUDITED)	AT 30 APRIL 2018 (UNAUDITED)	AT 31 OCTOBER 2018 (AUDITED)
Non-current assets				
Intangible assets	7	0.3	-	0.2
Property, plant and equipment	8	1.2	0.5	0.9
Trade and other receivables	9	11.8	-	-
Total non-current assets		13.3	0.5	1.1
Current assets				
Trade and other receivables	9	35.5	19.1	28.1
Cash and cash equivalents		129.4	54.6	50.5
Total current assets		164.9	73.7	78.6
Total assets		178.2	74.2	79.7
Current liabilities				
Trade and other payables	10	24.7	7.5	20.0
Deferred revenue		53.7	31.0	42.1
Total current liabilities		78.4	38.5	62.1
Non-current liabilities				
Deferred revenue		6.0	4.8	5.8
Total non-current liabilities		6.0	4.8	5.8
Total liabilities		84.4	43.3	67.9
Net assets		93.8	30.9	11.8
Equity attributable to shareholders				
Called up share capital	12	1.8	1.7	1.7
Share premium	12	148.7	48.8	50.2
Merger reserve		0.4	0.4	0.4
Foreign exchange reserve		-	0.4	(0.4)
Share based payment reserve		7.2	2.4	4.2
Accumulated losses		(64.3)	(22.8)	(44.3)
Net equity		93.8	30.9	11.8

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 APRIL 2019

£M	Note	SIX MONTHS ENDED 30 APRIL 2019 (UNAUDITED)	SIX MONTHS ENDED 30 APRIL 2018 (UNAUDITED)	YEAR ENDED 31 OCTOBER 2018 (AUDITED)
Cash flows from operating activities				
Loss for the period		(35.0)	(5.5)	(26.2)
<i>Adjustments for:</i>				
Amortisation of intangible assets	7	0.1	-	0.1
Depreciation of property, plant & equipment	8	0.2	0.1	0.3
Finance income		(0.2)	-	-
Share-based payment expense		3.0	1.2	3.0
Income tax expense		0.6	-	0.2
		(31.3)	(4.2)	(22.6)
Increase in trade and other receivables		(4.1)	(4.2)	(13.1)
Increase/(decrease) in trade and other payables		5.0	(0.6)	9.7
Increase in deferred revenue		11.8	8.5	20.6
Cash used in operations		(18.6)	(0.5)	(5.4)
Income taxes paid		(0.3)	-	-
Net cash outflows from operating activities		(18.9)	(0.5)	(5.4)
Investing activities				
Purchases of intangible fixed assets	7	(0.2)	-	(0.3)
Purchase of property, plant and equipment	8	(0.5)	(0.2)	(0.8)
Interest received		0.2	-	-
Net cash used in investing activities		(0.5)	(0.2)	(1.1)
Financing activities				
Issue of ordinary shares		101.3	39.0	41.9
Issue costs		(2.8)	-	(1.3)
Net cash from financing activities		98.5	39.0	40.6
Net increase in cash and cash equivalents		79.1	38.3	34.1
Cash and cash equivalents at the beginning of the period		50.5	16.3	16.3
Effect of foreign exchange on cash & cash equivalents		(0.2)	-	0.1
Cash and cash equivalents at end of period		129.4	54.6	50.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 APRIL 2019

	SHARE CAPITAL £M	SHARE PREMIUM £M	SHARE BASED PAYMENT RESERVE £M	FOREIGN EXCHANGE RESERVE £M	MERGER RESERVE £M	ACCUM- ULATED LOSSES £M	TOTAL EQUITY £M
Equity at 31 October 2018 as originally presented (Audited)	1.7	50.2	4.2	(0.4)	0.4	(44.3)	11.8
Adjustment on initial application of IFRS 15 (see note 1 and 11)	-	-	-	-	-	15.0	15.0
Comprehensive income for period							
Loss	-	-	-	-	-	(35.0)	(35.0)
Other comprehensive income	-	-	-	0.4	-	-	0.4
Total comprehensive income for the period	-	-	-	0.4	-	(35.0)	(34.6)
Contributions by and distributions to owners							
Exercise of options	-	1.4	-	-	-	-	1.4
Issue of shares	0.1	99.9	-	-	-	-	100.0
Cost of share issue	-	(2.8)	-	-	-	-	(2.8)
Share based payments	-	-	3.1	-	-	-	3.1
Forfeit of share options	-	-	(0.1)	-	-	-	(0.1)
Equity as at 30 April 2019	1.8	148.7	7.2	-	0.4	(64.3)	93.8

1 Accounting policies

Basis of preparation

These interim consolidated financial statements have been prepared using accounting policies based on International Financial Reporting Standards (IFRS and IFRIC Interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 31 October 2018 Annual Report. The financial information for the half years ended 30 April 2019 and 30 April 2018 does not constitute statutory accounts within the meaning of Section 434 (3) of the Companies Act 2006 and both periods are unaudited.

The annual financial statements of Blue Prism Group plc ('the Group') are prepared in accordance with IFRS as adopted by the European Union. The comparative financial information for the year ended 31 October 2018 included within this report does not constitute the full statutory Annual Report for that period. The statutory Annual Report and Financial Statements for year ended 31 October 2018 have been filed with the Registrar of Companies. The Independent Auditors' Report in the Annual Report and Financial Statements for the year ended 31 October 2018 was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under 498(2)-(3) of the Companies Act 2006. The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 October 2018 as described in the annual financial statements with the exception of the adoption of IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments'. The impact of which has been detailed below.

a) IFRS 15 'Revenue from Contracts with Customers'

We derive our revenue from fees charged to our customers for:

- licences to our product
- standard and premium support services
- professional services, consulting and training

Software licence revenue represents fees earned from the licence of our standard software to customers for installation and use on the customer's premises.

Software support revenue represents fees earned from providing customers with support services at standard and premium rates, which includes unspecified future software updates and upgrades.

Consulting and training services represent professional consulting and training services.

Policies and judgement

Identification of contract

We frequently enter into multiple contracts with the same customer. Judgement is required in determining when two or more contracts are interrelated, which includes considerations as to whether they were negotiated as a single package with a single commercial objective, whether the amount of one consideration on one contract is dependent on the performance of the other contract, or if some or all of the services in the contract are a single performance obligation. In the majority of cases, a new Purchase Order or Statement of Work with a customer will instigate a new contract as it will deliver distinct services under revised terms.

Judgement is also required in determining when a new arrangement with a customer is a new contract or a modification of an existing contract. Consideration is given to whether there is a connection between the new arrangement and the previous contract; whether the goods and services under the new arrangements are highly interrelated with those under the prior contracts; and the pricing of the new and pre-existing arrangements.

Performance obligations

We have determined that the licensing of software, the provision of upgrade services and support services and the provision of training and consultancy services are separate performance obligations. Portions of the contractual fee are allocated to each obligation and recognised separately.

Where we grant customers options to acquire additional volumes of our software or to renew contracts on similar terms we apply judgement in determining whether those options represent material rights that require separate recognition as performance obligations. We consider whether any discount given exceeds discounts typically provided for the volumes subject to the option. The recognition of such rights is a change from the policy adopted under IAS 18.

Transaction price

Typically the transaction price represents the contract price. Where significant financing components exist, the price is adjusted for imputed financing cost or revenue. No significant financing components are recognised when the difference between the time that services are provided and the time of payment differ by one year or less.

Allocation of transaction price

We use estimation techniques to estimate stand-alone selling prices for the performance obligations identified, which include the adjusted market assessment approach, the cost plus margin approach and the residual approach. The valuation of material rights depends on the probability of option exercise. In estimating these probabilities we consider historical exercise patterns.

Recognition of revenue

Licences of our product are delivered by providing our customers with a licence key that enables them to access the software. We recognise revenue from licences at the point that the customer has access to and thus control over the software. This recognition policy represents a change from the policy adopted under IAS 18.

Upgrade and support services are recognised rateably over the contract term. Our obligations are to stand ready to provide technical product support and unspecified updates, upgrades and enhancements on a when and if basis. Our customers simultaneously receive and consume the benefits of these support services as we perform.

Training and consultancy services are recognised over time, where the service is to stand ready to provide the service, or as the service is consumed, typically based on a percentage of completion method.

Incremental costs of obtaining customer contracts

Sales commissions earned by our sales force on winning new contracts are recognised as assets and amortised over the contract life, which is typically three years. This is a change in policy from the policy applied under IAS 18.

Adoption of IFRS 15

We have adopted the “modified approach” to the adoption of IFRS 15, which means that prior years’ results, including the prior-period results presented in this half-year report, are not restated to conform to the new policies. We have also not quantified the effect of the new policies on any contract completed prior to 1 November 2018.

The effects of the implementation of IFRS 15 on the results for the period ended 30 April 2019 are as follows:

- Decrease in revenues of £1.2m due to timing of contracts
- Decrease in sales and marketing costs of £4.2m due to the capitalisation of sales commissions net of amortisation costs.
- Non-current trade and other receivables have increased by £11.8m and current asset trade and other receivables have increased by £7.4m giving a total increase of £19.2m being sales commissions unamortised at 30 April 2019.

As a consequence of the above, opening reserves at 1 November 2018 have been increased by £15.0m as a result of the implementation of IFRS 15.

b) IFRS 9 ‘Financial Instruments’

The Group has adopted IFRS 9 'Financial Instruments' from 1 November 2018. The impact of this standard is not considered material for the Group and as such there is no impact for the period ended 30 April 2019. Comparatives for 2018 have not been restated.

c) Share based payments

The company amended its accounting policy for national insurance on share based payments following recent guidance and changes to IFRS 2 in the year ended 31 October 2018.

d) IFRS 16 'Leases'

The following accounting standard has been issued but not effective for the Group for the six month period ended 30 April 2019.

IFRS 16 'Leases', will become effective for the Group for the financial year commencing on 1 November 2019, replacing the existing lease accounting standard IAS 17. The new standard will impact the accounting for leases in which the Group is the lessee. The Group currently accounts for these leases as operating leases, with rentals payable charged to the income statement on a straight-line basis as an operating expense. Under the new standard, the Group will recognise additional lease assets and lease liabilities on the statement of financial position to account for the right to use the leased items and the obligation to make future lease payments. The costs of the leases will be recognised in the income statement split between depreciation of the lease asset and a finance charge on the lease liability.

Basis of consolidation

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The financial statements of the Group have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ('IFRS') and their interpretations which have been issued by the International Accounting Standards Board ('IASB'), as adopted by the European Union. They have also been prepared with those parts of the 2006 Companies Act applicable to companies reporting under IFRS. Due to the nature of the Group's business model, which involves annual invoicing of software licences and recognising the revenues over the period of the contract, and due to the fast growth of the business, the deferred revenue account has grown significantly. The deferred income is non refundable and so the Directors are confident that the business has sufficient working capital to satisfy liabilities as they arise.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

Foreign currency

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss. At the balance sheet date the non sterling-balances of the overseas entities are retranslated at the rate ruling at the statement of financial position date and the foreign exchange gain or loss is shown in foreign exchange reserves.

During the period the Board has made the decision to change the functional currency of Blue Prism Software Inc, a wholly owned subsidiary within the Blue Prism group, to US Dollars. The decision to change the functional currency to US Dollars was made as a consequence of sales volumes increasing in the prior period and expenses becoming increasingly US Dollar denominated. As a result of this, with effective 1 November 2016, the Board made the decision to change the functional currency to US Dollars.

Trade receivables

Trade receivables are amounts due from customers for services provided in the ordinary course of business and are stated net of any provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default, or significant delay in payment) that the Blue Prism Group will be unable to collect all of the amounts due. The amount of such a provision is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Financial assets

The only financial assets held by Blue Prism Group plc are trade receivables and other cash and cash equivalents. Due to their short term nature, the carrying value of cash and cash equivalents, trade and other receivables approximate their fair value.

Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through income statement.

Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments.

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

Defined contribution pension schemes

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Leased assets

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an "operating

lease"), the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

Deferred taxation

Deferred tax is recognised in respect of relevant temporary differences that have originated but not reversed at the statement of financial position date. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. The deferred tax assets and liabilities are not discounted.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. The principal annual rates used for this purpose are:-

Plant and Machinery - straight line over 3 years

Leasehold improvements – straight line over 5 years

Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is capitalised if, and only if, the Group can demonstrate all of the following:

- (i) the ability to measure reliably the expenditure attributable to the asset under development;
- (ii) the product or process is technically and commercially feasible; its future economic benefits are probable;
- (iii) the ability to use or sell the developed asset; and
- (iv) the availability of adequate technical, financial and other resources to complete the asset under development.

Historically development expenditure did not meet the criteria to be capitalised as it was not possible to reliably measure the expenditure attributable to RPA. This development expenditure was expensed as incurred. The capitalisation criteria are met, development expenditure may be measured at cost less accumulated amortization and impairment losses, if any.

Any capitalised development expenditure will be amortised on a straight-line method when the services are ready for sale or use over a period of 18 months. In the event that it is no longer probable that the expected future economic benefits will be recovered, the development expenditure would be written down to its recoverable amount.

Any future capitalised development expenditure will be amortised on a straight-line method when the services are ready for sale or use over a period of 18 months. In the event that it is no longer probable that the expected future economic benefits will be recovered, the development expenditure would be written down to its recoverable amount.

Criteria for recognition of intangible assets

Internally-generated RPA development costs qualify for capitalisation when Blue Prism can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its intention to complete the intangible asset and use or sell it;
- Its ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The existence of a market or, if it is to be used internally, the usefulness of the intangible asset;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- Its ability to measure reliably the expenditure attributable to the intangible asset during development.

Generally, commercial viability of new RPA innovations and product enhancements is not proven until development issues have been resolved through testing pre-launch versions. Blue Prism assesses the eligibility of development costs for capitalisation on a project-by-project basis.

Development costs which are incurred after the release of internally-generated RPA or costs which are incurred in order to enhance existing RPA products are expensed in the period in which they are incurred and included within research and development expense in the consolidated statement of profit or loss and other comprehensive income.

Amortisation of intangible assets

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of internally generated RPA. Blue Prism currently only has intangible assets with finite lives.

The estimated useful life of internally generated RPA is 18 months to 2 years depending on the intangible asset.

2 Key accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Research and development costs – Under IAS 38, Research and development costs, internally generated technology should be capitalised if the capitalisation criteria are met. Assumptions and judgements are made with regard to assessing the expected future economic benefits, the economic useful life and the level of completion of the databases. Under IAS 38, at the point where activities no longer relate to development but to maintenance, capitalisation is to be discontinued.

The key judgements here are defining the cut-off point between when research ends and development starts, and reliably measuring the expenditure attributable to the asset. An assessment is made when looking at the costs incurred and criteria for development costs, including the commercial and technical viability of the costs being assured. The main costs attributed to research and development costs is that of payroll, with research and development team tasked with other aspects of quality assurance, customer support, project management, along with other tasks. Therefore, further to considerations above, it is therefore difficult to ascertain the cut-off between research and development, and to quantify any value between each within the business.

3 Financial instruments - Risk Management

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Capital risk management

The Group manages its capital to ensure that all Group entities will be able to continue on a going concern basis while maximising its long term return to shareholders. The capital structure of the Group consists of Company equity only, comprising issued capital, share premium, reserves and retained earnings. The Group is not exposed to any externally imposed capital requirements and has no borrowings.

Financial instruments by category

Financial Assets

	2019 £m	2018 £m
Trade receivables	27.8	18.0
Other debtors	1.6	1.1
Cash and cash equivalents	129.4	54.6
	<hr/>	<hr/>
Total Financial Assets	158.8	73.7

Financial Liabilities

	2019 £m	2018 £m
Trade and other payables	5.7	1.7
Accruals and other payables	17.5	5.8
	<hr/>	<hr/>
Total Financial Liabilities	23.2	7.5

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before entering contracts.

The Board has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 12.

Cash at bank and short-term deposits

The Group's cash is held on deposit with the Group's principal bankers.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other

than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency, with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

During the year the Group's potential exposure to currency risk has increased due to the increased level of business in the US. The Group is predominantly exposed to currency risk on the balances held in working capital within the Group and the exposure is concentrated therefore in the movement of the US dollar against Sterling. The effect of a strengthening and weakening of 10% of the US dollar against Sterling at the reporting date on the working capital balances held at this date, on the basis that all other variables remained constant, would have resulted in the following pre-tax profit or (loss) impact for the year as follows:

	10% strengthening	10% weakening
	£m	£m
US dollar to sterling	0.5	(0.5)

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days.

The maximum exposure to liquidity risk is the trade payables and sales introduction commissions accrued at the year end, these are all current and expected to be settled within 90 days of the year end.

The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances for at least 12 months from the date of signing these financial statements.

4 Segmental Analysis

The Group has one operating segment being the licensing of Robotic Process Automation (RPA) software used to automate routine, rules-based back office processes.

The Group operates across three regions: EMEA, The Americas and APAC. The Board of Directors only monitors revenue on this basis. Business performance is otherwise monitored by reference to total results against budget. Revenue for each of the geographical areas is as follows:

	2019	2018
	£m	£m
Revenue from EMEA Operations	18.8	11.9
Revenue from The Americas Operations	16.2	8.4
Revenue from APAC Operations	5.4	2.6
	<hr/>	<hr/>
Total	40.4	22.9
	<hr/>	<hr/>

Revenues from each country where more than 10% of the group revenues:

	2019	2018
	£m	£m
UK	9.7	7.3
US	12.9	7.1
Europe	8.1	3.0
Canada	2.5	1.2
APAC	3.1	1.7
ANZ	2.3	1.4
Rest of the world	1.8	1.2
	<hr/>	<hr/>
Total	40.4	22.9
	<hr/>	<hr/>

Revenue

The Group currently has two key sources of revenue:

- Licencing – for the provision of software licences, where the agreement is established of a legally binding contract between the Group and its customers. Standard maintenance and support services are included in the Licence fee.
- Professional Services and training – where the customer requires consultancy or training on a project by project basis.

	2019	2018
	£m	£m
Licences	39.3	21.5
Professional services, training and other	1.1	1.4
	<hr/>	<hr/>
	40.4	22.9
	<hr/>	<hr/>

There are no customers who generate 10% or more of the Group's revenues.

Assets, liabilities and sources of revenue are not analysed by geography as the business performance measure utilised by the chief operating decision maker, the Board of Directors, is the total business result.

5 Staff costs

	2019	2018
	£m	£m
Staff costs (including directors emoluments) comprise:		
Wages and salaries	38.8	11.0
Social security contributions and similar taxes	4.5	1.4
Share-based payment expense	3.3	1.2
Pension costs	0.8	0.5
Other staff costs	6.2	1.8
	<hr/>	<hr/>
Total staff costs	53.6	15.9
	<hr/>	<hr/>

Staff costs include sales introduction commissions in the amount of £4.3m (2018: £5.3m).

Average monthly number of employees (including Directors) during the period:

	2019	2018
	Number	Number
Directors*	6	6
Staff		
Administration	65	17
Sales and marketing	415	153
Technical services	125	54
	<hr/>	<hr/>
	611	230
	<hr/>	<hr/>

*For 2018 Directors denotes the average number of Blue Prism Group plc Directors including 3 non- executive directors.

6 Basic and diluted loss per share

	2019	2018
<i>Numerator</i>	£m	£m
Loss for the period and earnings used in basic EPS	(35.0)	(5.5)
<i>Denominator</i>	'000	'000
Weighted average number of shares used in basic EPS	71,834	65,300
	<hr/>	<hr/>
Basic and diluted weighted losses per share (pence)	(48.72)	(8.39)
	<hr/>	<hr/>

7 Intangible assets

	Total
	£m
<i>Cost</i>	
At 1 November 2018	0.3
Additions	0.2
Disposals	-
Foreign exchange movements	-
	<hr/>
At 30 April 2019	0.5
	<hr/>
<i>Accumulated amortisation and impairment</i>	£m
At 1 November 2018	0.1
Amortisation	0.1
Disposals	-
Foreign exchange movements	-
	<hr/>
At 30 April 2019	0.2
	<hr/>
Net book value	
At 31 October 2018	0.2
	<hr/>
At 30 April 2019	0.3
	<hr/>

8 Property, plant and equipment

	Plant, Machinery	Leasehold Improvements	Total
	£m	£m	£m
Cost			
At 1 November 2017	0.6	-	0.6
Additions	0.7	0.1	0.8
Disposals	(0.1)	-	(0.1)
	<hr/>	<hr/>	<hr/>
At 31 October 2018	1.2	0.1	1.3
	<hr/>	<hr/>	<hr/>
At 1 November 2018	1.2	0.1	1.3
Additions	0.4	0.1	0.5
Disposals	-	-	-
Foreign exchange movements	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 April 2019	1.6	0.2	1.8
	<hr/>	<hr/>	<hr/>
Accumulated depreciation and impairment	£m	£m	£m
At 1 November 2017	0.2	-	0.2
Depreciation	0.3	-	0.3
Disposals	(0.1)	-	(0.1)
	<hr/>	<hr/>	<hr/>
At 31 October 2018	0.4	-	0.4
	<hr/>	<hr/>	<hr/>
At 1 November 2018	0.4	-	0.4
Depreciation	0.2	-	0.2
Disposals	-	-	-
Foreign exchange movements	-	-	-
	<hr/>	<hr/>	<hr/>
At 30 April 2019	0.6	-	0.6
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 October 2018	0.8	0.1	0.9
	<hr/>	<hr/>	<hr/>
At 30 April 2019	1.0	0.2	1.2
	<hr/>	<hr/>	<hr/>

9 Non-current and current trade and other receivables

	2019	2018
	£m	£m
Trade receivables	39.8	17.6
Less: provision for impairment of trade receivables	(0.2)	-
	<hr/>	<hr/>
Trade receivables – net	39.6	17.6
Prepayments	7.7	1.5
	<hr/>	<hr/>
Total trade and other receivables	47.3	19.1
	<hr/>	<hr/>

Non-current assets

Included within trade and other receivables are the commission costs of obtaining customer contracts of £11.8m

Current assets

Included within trade and other receivables are the commission costs of obtaining customer contracts of £7.4m.

As at 30 April 2019 trade receivables of £3.8m (2018: £9.0m) were past due but not impaired. They relate to customers with no default history. The ageing analysis of these receivables is as follows:

	2019	2018
	£m	£m
Up to 30 days overdue	2.1	3.7
30 to 60 days overdue	1.6	2.2
90 days or more and overdue	0.1	3.1
	<hr/>	<hr/>
	3.8	9.0
	<hr/>	<hr/>

10 Trade and other payables

	2019	2018
	£m	£m
Trade payables	5.7	1.6
Other payables	1.5	0.9
Accruals	17.5	5.0
	<hr/>	<hr/>
Total trade and other payables	24.7	7.5
	<hr/> <hr/>	<hr/> <hr/>

11 IFRS 15

Differences between IFRS 15 and previous accounting policies.

The main differences between the Group's accounting policies under IFRS 15 and its previous accounting policies under IAS 18 for the six months ended 30 April 2019 only are as follows:

- Timing of recognising revenue
- Costs of obtaining customer contracts

	Timing of recognising revenue	Costs of obtaining customer contracts	Total Impact
	£m	£m	£m
	(Unaudited)	(Unaudited)	(Unaudited)
Non-current assets			
Trade and other receivables	-	11.8	11.8
	<hr/>	<hr/>	<hr/>
Total non-current assets	-	11.8	11.8
	<hr/>	<hr/>	<hr/>
Current assets			
Trade and other receivables	-	7.4	7.4
	<hr/>	<hr/>	<hr/>
Total current assets	-	7.4	7.4
	<hr/>	<hr/>	<hr/>
Total assets	-	19.2	19.2
	<hr/>	<hr/>	<hr/>
Current liabilities			
Deferred revenue	(1.2)	-	(1.2)
	<hr/>	<hr/>	<hr/>
Total current liabilities	(1.2)	-	(1.2)
Total non-current liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities	(1.2)	-	(1.2)
	<hr/>	<hr/>	<hr/>
Net assets	(1.2)	19.2	18.0
	<hr/>	<hr/>	<hr/>
Total equity	(1.2)	19.2	18.0
	<hr/>	<hr/>	<hr/>

Quantitative impact of policy changes on consolidated income statement

Revenue from software license and support showed a net decrease of £1.2m relating to the timing of contracts.

Selling and administrative expenses showed a net decrease of £4.2m, with most of the difference resulting from higher capitalisation of sales commissions offset by the related amortisation charge.

The above results in a net positive impact on the Group's consolidated operating loss of approximately £3.0m for the six months ended 30 April 2019, as follows:

For the six months ended 30 April 2019			
	Statutory as reported under IFRS 15	Impact of IFRS 15	Statutory under IAS 18
	£m	£m	£m
	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	40.4	(1.2)	41.6
Operating loss	(35.0)	3.0	(38.0)

12 Share capital

		2019	2018
		£m	£m
Allotted and fully paid up			
Ordinary share capital		0.8	0.7
Deferred shares		1.0	1.0
		<hr/>	<hr/>
Total		1.8	1.7
		<hr/>	<hr/>
Issued and fully paid			
		Share capital	Share premium
	Number	£m	£m
Total ordinary shares at 31 October 2017	62,664,219	0.6	9.6
	<hr/>	<hr/>	<hr/>
Share options exercised in the year	1,157,141	-	1.9
Shares issued under the Company Share Investment Plan	17,466	-	-
		-	-
Shares issued under the Company Employee Stock Purchase Plan	33,969	-	-
Shares placed in the year	3,174,604	-	40.0
Cost of share placing	-	-	(1.3)
	<hr/>	<hr/>	<hr/>
Total ordinary shares at 31 October 2018	67,047,399	0.7	50.2
	<hr/>	<hr/>	<hr/>
Share options exercised in the period	725,455	-	1.4
Shares issued under the Company Share Investment Plan	10,344	-	-
Shares placed in the period	9,090,910	0.1	99.9
Cost of share placing	-	-	(2.8)
	<hr/>	<hr/>	<hr/>
Total ordinary shares at 30 April 2019	76,874,108	0.8	148.7
	<hr/>	<hr/>	<hr/>

13 Notes supporting statement of cash flows

Cash and cash equivalents for purposes of the statement of cash flows comprises:

	2019	2018
	£m	£m
Cash at bank available on demand	78.8	54.6
Short-term deposits	50.6	-
	<hr/>	<hr/>
	129.4	54.6
	<hr/>	<hr/>