

Regulatory Story

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Company 1Spatial Plc
TIDM SPA
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1Spatial plc (AIM: SPA)
 ("1Spatial", the "Group" or the "Company")
Final results for the year ended 31 January 2014

The Board of Directors of 1Spatial (the "Board"), the AIM Spatial Big Data company listed on AIM is pleased to announce the Company and consolidated group's (the "Group") audited final results for the year ended 31 January 2014.

Highlights

Financial highlights

- Revenue from operations increased by 43% to £17.3m (2013: £12.0m) including £4.7m from the Star-Apic acquisition made in June 2013.
- Significant increase in overall Adjusted* EBITDA on the prior year with an increase of 301% to £1.1m (2013: loss of £0.5m).
- Improved underlying result of loss after tax of £2.2m (2013: loss of £4.3m).
- Company enters the new financial year with a strong order back-log in excess of £7m and a significant pipeline of opportunities.
- Successful placing raising £17.1m (net of expenses) to support future growth strategy.
- Acquisition of 100% of Star-Apic for cash consideration of £5.7m.
- Strong balance sheet positions with year-end cash of £11.2m (2013: £3.2m) following the payment of £0.6m to purchase the final 10% of Star-Apic in January 2014 ahead of plan.

*Adjusted for strategic, integration, other one-off items and share option charge

Operational highlights

- Share placing raising £17.1m of cash for the Group (after commission and expenses) to fund:
 - acquisition of Star-Apic, a leading European provider of Geographic Information Systems ("GIS") software and solutions;
 - additional working capital for the enlarged Group; and
 - product development, marketing and further potential acquisition opportunities.
- Integrated the Star-Apic acquisition and established a world-wide organisational infrastructure
- Broadened and enhanced our core off-the-shelf product offerings and commenced the integration of Star-Apic product and service offerings into our range.
- Continued success with existing customer base; Ordnance Survey Great Britain contract extension announced in January 2014 valued at £2m and the US Census contract extension valued at £1.3m, announced in November 2013.
- Success in new geographies and new sectors such as Smart Cities, for example in the municipalities of Rabat, Tangier and Tetouan in Morocco who have implemented our Elyx Smart City solution to manage the water, sewage and electricity networks for the municipalities.
- As part of our strategy we are increasingly focusing on certain vertical markets and regions where we see demand and future opportunities. To support that we have appointed a Head of Development to manage our growing global software team, key sales hires focusing on the Utilities and Defence sectors, and a new General Manager for 1Spatial Asia Pacific Region.
- Strengthened our Board of directors with the appointment of David Richards as Deputy Non-Executive Chairman. David is the CEO of WANDisco plc and brings 15 years' experience of the software industry to the Board.

Post Period-End Highlights

- Rebranded the Star-Apic Companies as 1Spatial from 1 February 2014.
- Launch of new global website on 12 May 2014.

Commenting on the results CEO, Marcus Hanke, said:

"1Spatial is entering an exciting period of growth, well-funded and with the structures in place to evolve and execute on our strategy. The year ended 31 January 2015 will see us continue to develop our product and service offerings and to develop new geographic and industry markets to harness that potential. It is the Board's view that the company is well placed to capitalise on opportunities in the spatial Big Data market and Smart Cities markets. We have a strong team in place and an exceptional product offering. The company has an impressive and growing customer base and a healthy pipeline of opportunities. The Board is encouraged by the progress made during the start of the current financial year and looks forward to the future with confidence."

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About 1Spatial

1Spatial manages the world's largest spatial big data and works with users and creators of the largest geospatial databases, helping them collect, store, manage and interpret location-specific information.

1Spatial's clients include national mapping and cadastral agencies, utility and telecommunications companies, and government departments including emergency services, defence and census bureaus.

A leader in the field, 1Spatial has over forty years' experience and a record of continual innovation and development. Today, with an ever increasing reliance on spatial and location-critical data, demand for our expertise has never been greater.

1Spatial operates globally, and has a portfolio of customers both in the Commercial and Government sector, with headquarters in Cambridge, UK and offices in France, Belgium, Ireland, and Australia. To find out more, visit www.1spatial.com

Chairman's Statement

I am pleased to present the results for 1Spatial plc for the year ended 31 January 2014. The Group reports revenue of £17.3m and an Adjusted EBITDA of £1.1m. These results represent growth in both revenue and profit. The Group enters the next financial year with an order backlog in excess of £7m as well as a healthy pipeline of opportunities.

Following the fund-raising described below, the company has a strong balance sheet to support its strategy for future growth.

Corporate transactions

In June 2013, the company raised £17.1m through an over-subscribed placing of shares. The money was raised to support our growth strategy: to acquire Star-Apic and to provide working capital to strengthen geographical, industry and product coverage. As stated in the circular to shareholders, we will look to make further acquisitions to extend our geographic reach. A number of opportunities were identified during the year, which are under review.

Strategy and performance

In my report last year, I described a year of achieving focus and clarity on the company's strategic direction. This year, ended 31 January 2014, we have laid the foundations for building on our position by establishing structures to support our future growth. In June 2013, we acquired 90% of Star-Apic (with the remaining 10% being purchased in January 2014) and throughout the year we have focused on four important areas: our organisational structure, our geographical coverage, our product and service offerings, and our brand. Significant progress has been made in all areas.

Star-Apic

Star-Apic is a leading European provider of Geographic Information Systems (GIS) software and solutions. We have worked to integrate the business into 1Spatial, which is now almost complete. Post the year end, Star-Apic was rebranded as 1Spatial in February 2014. The firm specialises in land and infrastructure management. The acquisition brings highly complementary products and services as well as access to the markets of French-speaking North Africa.

Organisational structure

With the acquisition of Star-Apic, the company has established a world-wide business infrastructure that covers product development, strategy, marketing, finance and commercial activities. Our local offices focus on sales and generating demand within their markets. We have also hired important new roles to further strengthen the business including a Head of Development and additional members of the sales team focusing on specific sectors.

Geographical coverage

The group's headquarters are in Cambridge, UK; our offices in France and Belgium (acquired as part of Star-Apic) cover French-speaking markets, especially in North Africa. We also have an Asia-Pacific office in Sydney, Australia, an office in Ireland and are supported by a global network of partners that includes USA, Malaysia and Brazil.

We see growth opportunities in the Middle-East, Africa (beyond French-speaking North Africa), the MINT countries (the fast-developing economies of Mexico, Indonesia, Nigeria and Turkey) and USA. We already have key customers in the Middle-East and North Africa and continue to work with potential partners in all regions.

Product and service offerings

Our core off-the-shelf product offering, 1SMS (1Spatial Management Suite), was delivered to our first customer during the year ended 31 January 2014 and is continuing to gain significant traction in the market and we will develop industry-specific applications for the suite as part of our development road-map.

The acquisition of Star-Apic broadened our range of product and service offerings and these are being integrated into, or consolidated within, our current range. Potential new products have also been identified and development plans are in progress.

Our Storage Fusion and Avisen divisions continue to focus on their core competencies in each relevant market. Both companies enjoy long-term relationships with key customers such as Unisys and Unilever and continue to innovate with their product offerings. Storage Fusion provides unique software that analyses data storage across multi-vendor resources. Avisen provides profitability improvement services.

Brand

Star-Apic has been re-branded as a 1Spatial company from 1 February 2014. This will be reflected across all international markets.

We have also invested in building 1Spatial's brand "reach" across new and existing markets, both geographic and industry. The company has participated in events in Netherlands, Spain, France, Belgium, UK and Malaysia. As mentioned above, we see particular interest and opportunity in the Middle-East, Africa and MINT economies.

In addition, we see growing international interest in the concept of "Smart Cities"; cities with digitally enabled and enhanced infrastructure and services. This is a field in which spatial data makes a critical contribution and 1Spatial is raising its profile at related events.

Customers and trading

Improving our brand reach and establishing local sales structures is creating a healthy pipeline of opportunities as we enter 2014/15.

Our newly extended product offering has brought new opportunities in North Africa and with global utilities companies.

We greatly value our long-term relationships with established customers. Many of these have developed over several years and are testament to the skills and knowledge of 1Spatial's people. The year ended 31 January 2014 has seen some significant contract extensions from major clients including Ordnance Survey GB and the US Census Bureau.

Board and people

In June 2013, we strengthened our board of directors with the appointment of David Richards as Deputy Non-Executive Chairman. David is CEO of WANDisco plc and brings 15 years' experience of the software industry to the board. His knowledge of the US market is especially valuable to us as our project with US Census Bureau opens more opportunities in America.

During the year, share options were issued to executive directors and key members of the management team. The decision to issue share options has been taken as part of the company's strategy to attract, motivate and retain talent within the business.

Since the year-end, we have also announced organisational structure changes and the addition of some key hires, including a Head of Development to manage our growing global software team, and additional hires in Sales focusing important vertical markets such as the Utilities, and Defence sectors, and a new General Manager for 1Spatial Asia Pacific Region from our offices in Sydney, Australia. As part of our strategy we are increasingly focusing

on certain vertical markets and regions where we see demand and future opportunities - these organizational changes and key hires support that approach.

1Spatial's success - the business relationships it has built and the reputation it enjoys within the field of spatial Big Data - is entirely due to its management team and employees across the world. 1Spatial people are approachable, smart, innovative and agile. As we look forward to future growth, I would like to take this opportunity to thank them all for their continuing hard work and dedication.

Conclusion

The year ended 31 January 2014 has been one of building for future growth. Adjusted profits were in line with expectations, showing good growth and improvements have been made in the overall result for the year which is a loss after tax of £2.2m compared to a £4.4m loss in 2013. At the same time, we raised significant funding, completed a major acquisition and put in place the structure to support further growth. It was particularly pleasing to see 1Spatial plc recognised by the London Stock Exchange as one of the "1,000 Companies to Inspire Britain".

We will continue to focus on developing our international network of partners with the launch of a new partner programme.

As noted above, our important target geographies are: Africa, the Middle-East, MINT countries and the USA.

Our target industry verticals are: national mapping and land registry agencies, utility companies, defence departments, transport, telecommunications and emergency services.

In addition, we will continue to develop our Smart Cities initiative as this has a clear resonance across geographies (both developed and emerging markets) and sectors (central government, local government, mapping agencies, utilities, telecommunications, transport etc).

Outlook

1Spatial is entering an exciting period of growth, well-funded and with the structures in place to evolve and execute on our strategy. The year ended 31 January 2015 will see us continue to develop our product and service offerings and to develop new geographic and industry markets to harness that potential.

It is the Board's view that the company is well placed to capitalise on opportunities in the spatial Big Data market and Smart Cities markets, that view is supported by our robust order back-log and healthy pipeline of future opportunities. We have a strong team in place, an exceptional product offering and an impressive and growing customer base. The Board is encouraged by the progress made during the start of the current financial year and looks forward to the future with confidence.

S Berry
Chairman
13 May 2014

1Spatial plc Consolidated statement of comprehensive income Year ended 31 January 2014

Note	2014 £'000	2013 £'000
Revenue	17,266	12,100
Cost of sales	(9,063)	(6,973)
Gross profit	8,203	5,127
Administrative expenses	(10,428)	(9,912)
	(2,225)	(4,785)
Adjusted* EBITDA	1,067	(533)
Less: depreciation	(277)	(152)
Adjusted* EBITA	790	(685)
Less: amortisation and impairment of intangible assets	(627)	(3,478)
Less: share based payment charge	(601)	-
Less: strategic, integration and other one off items	(1,787)	(622)
Operating loss	(2,225)	(4,785)
Finance income	44	14
Finance costs	(73)	(9)
Net finance (cost)/ income	(29)	5
Loss before tax	(2,254)	(4,780)
Income tax (charge)/credit	4	387
Loss for the year	(2,244)	(4,393)

Other comprehensive income

Items that may subsequently be reclassified to profit or loss:

Exchange differences arising on translation of net assets of foreign operations

22 35

Other comprehensive income for the year, net of tax

22 35

Total comprehensive loss for the year (2,222) (4,358)

Total comprehensive loss attributable to:

Equity shareholders of the Parent

(2,205) (4,358)

Non-controlling interest

(17) -

(2,222) (4,358)

Loss per ordinary share expressed in

pence per ordinary share:

Basic 9 (0.41) (1.25)

Diluted 9 (0.41) (1.25)

Adjusted profit/(loss) per ordinary share expressed

in

pence per ordinary share:

Basic 9 0.15 (0.08)

Diluted 9 0.14 (0.08)

*Adjusted for amortisation, share option charge and strategic, integration and other one off items (note 3)

As at 31 January 2014

	Notes	2014 £'000	2013 £'000
Assets			
Non-current assets			
Intangible assets including goodwill	5	13,445	6,928
Property, plant and equipment		1,712	266
Total non-current assets		15,157	7,194
Current assets			
Inventories		15	14
Trade and other receivables		6,861	2,783
Current income tax receivable		42	107
Cash and cash equivalents	6	11,165	3,216
Total current assets		18,083	6,120
Total assets		33,240	13,314
Liabilities			
Current liabilities			
Trade and other payables		(8,986)	(5,686)
Current income tax liabilities		(52)	(7)
Borrowings		(52)	(49)
Total current liabilities		(9,090)	(5,742)
Non-current liabilities			
Borrowings		(268)	-
Deferred tax		(1,764)	(748)
Total non-current liabilities		(2,032)	(748)
Total liabilities		(11,122)	(6,490)
Net assets		22,118	6,824
Share capital and reserves			
Share capital	7	15,572	12,572
Share premium account	7	20,608	6,503
Own shares held		(306)	(306)
Equity-settled employee benefits reserve		988	387
Merger reserve		13,900	13,900
Reverse acquisition reserve		(11,584)	(11,584)
Currency translation reserve		24	2
Accumulated losses		(17,084)	(14,650)
Total equity attributable to shareholders of the parent		22,118	6,824

1Spatial plc
Consolidated statement of changes in equity
Year ended 31 January 2014

£'000	Share Capital	Share Premium Account	Own Shares Held	Equity-settled Employee Benefits Reserve	Merger Reserve	Reverse Acquisition Reserve	Currency Translation Reserve	Accumulated Losses	Total Equity Attributable to the Equity Shareholders of the Parent	Non-controlling interest	Total Equity
Balance at 1 February 2013	12,572	6,503	(306)	387	13,900	(11,584)	2	(14,650)	6,824	-	6,824
Comprehensive income											
Loss for the year	-	-	-	-	-	-	-	(2,227)	(2,227)	(17)	(2,244)
Other comprehensive income											
Exchange differences on translating foreign operations	-	-	-	-	-	-	22	-	22	-	22
Total other comprehensive income	-	-	-	-	-	-	22	-	22	-	22
Total comprehensive loss	-	-	-	-	-	-	22	(2,227)	(2,205)	(17)	(2,222)
Transactions with owners											
Shares issued in the year (note 7)	3,000	15,000	-	-	-	-	-	-	18,000	-	18,000
Share issue costs	-	(895)	-	-	-	-	-	-	(895)	-	(895)
Recognition of share based payments	-	-	-	601	-	-	-	-	601	-	601
	3,000	14,105	-	601	-	-	-	-	17,706	-	17,706
Transactions with non-controlling interest											
Non-controlling interest arising on acquisition	-	-	-	-	-	-	-	-	-	385	385
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(207)	(207)	(368)	(575)
	-	-	-	-	-	-	-	(207)	(207)	17	(190)
Balance at 31 January 2014	15,572	20,608	(306)	988	13,900	(11,584)	24	(17,084)	22,118	-	22,118
£'000	Share Capital	Share Premium Account	Own Shares Held	Equity-settled Employee Benefits Reserve	Merger Reserve	Reverse Acquisition Reserve	Currency Translation Reserve	Accumulated Losses	Total Equity Attributable to the equity shareholders of the parent	Non-controlling interest	Total Equity
Balance at 1 February 2012	12,556	6,455	(306)	387	13,900	(11,584)	(33)	(10,257)	11,118	-	11,118
Comprehensive income											
Loss for the year	-	-	-	-	-	-	-	(4,393)	(4,393)	-	(4,393)
Other comprehensive income											
Exchange differences on translating foreign operations	-	-	-	-	-	-	35	-	35	-	35
Total other comprehensive income	-	-	-	-	-	-	35	-	35	-	35
Total comprehensive income	-	-	-	-	-	-	35	(4,393)	(4,358)	-	(4,358)
Transactions with owners											
Shares issued in the year (note 17)	16	48	-	-	-	-	-	-	64	-	64
Balance at 31 January 2013	12,572	6,503	(306)	387	13,900	(11,584)	2	(14,650)	6,824	-	6,824

1Spatial plc
Consolidated statement of cash flows
Year ended 31 January 2014

	Notes	2014 £'000	2013 £'000
Cash flows from operating activities			
Cash (used in)/generated from operations	(a)	(2,289)	127
Interest received		44	14
Interest paid		(73)	(9)
Tax received/(paid)		68	(34)
Net cash (used in)/generated from operating activities		(2,250)	98
Cash flows from investing activities			
Acquisition of subsidiaries (net of cash acquired)		(3,875)	-
Cash received on disposal of subsidiary		-	1,300
Purchase of property, plant and equipment		(566)	(231)
Expenditure on product development capitalised		(1,726)	(671)
Proceeds from sale of property, plant and equipment		-	31
Net cash (used in)/generated from investing activities		(6,167)	429
Cash flows from financing activities			
Increase in borrowings		178	-
Repayment of borrowings		(285)	(51)
Net proceeds of share issue		17,105	-
Acquisition of non-controlling interest		(575)	-
Net cash generated from/(used in) financing activities		16,423	(51)
Net increase in cash and cash equivalents		8,006	476
Cash and cash equivalents at start of year		3,216	2,734
Effects of foreign exchange on cash and cash equivalents		(57)	6
Cash and cash equivalents at end of year	(b)	11,165	3,216

Notes to the consolidated statement of cash flows

(a) Cash generated from/(used in) from operations

	2014 £'000	2013 £'000
Loss before tax	(2,254)	(4,780)
Adjustments for:		
Depreciation charge	277	152
Amortisation	627	903
Impairment	-	2,513
Expense recognised in respect of shares issued in exchange for consulting services	-	64
Share based payment charge	601	-
Net foreign exchange movement	233	29
Loss on disposal of property, plant and equipment	94	26
Loss on disposal of goodwill	-	62
(Increase)/decrease in inventories	(1)	27
(Increase)/decrease in trade and other receivables	(1,188)	1,468
Decrease in trade and other payables	(707)	(332)
Finance (income)/cost - net	29	(5)
Cash (used in)/generated from operations	(2,289)	127

(b) Reconciliation of net cash flow to movement in net funds

	2014 £'000	2013 £'000
Increase in cash in the year	8,006	476
Net cash outflow from decrease in bank loans	107	51
Changes resulting from cash flows	8,113	527
Loans acquired with subsidiary	(423)	-
Effect of foreign exchange	(12)	8
Change in net funds	7,678	535
Net funds at beginning of year	3,167	2,632
Net funds at end of year	10,845	3,167

Analysis of net funds

Cash and cash equivalents classified as:

- Current assets	11,165	3,216
Bank and other loans	(320)	(49)
Net funds at end of year	10,845	3,167

Notes to the financial statements
For the year ended 31 January 2014

1 Basis of preparation

The financial information included in this preliminary announcement does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006, but has been extracted from the statutory financial statements for the year ended 31 January 2014.

The preliminary results for the year ended 31 January 2014 have been prepared in accordance with the accounting policies set out in its annual report for the period ended 31 January 2013. These accounts have been audited and the audit report is unqualified and does not contain a statement under section 498 of the Companies Act 2006.

These policies have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated results have been prepared under the historical cost convention, as modified for any financial assets which are stated at fair value through profit or loss. The results have been prepared in Sterling as this represents the functional currency of the Group and figures have been rounded to the nearest thousand.

2 Segmental information

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

The United Kingdom is the home country of the Group. For management purposes during the year, the Group was organised into the following operating divisions - Head Office, Avisen, Storage Fusion, 1Spatial and after 14 June, Star-Apic. These divisions are the basis on which the Group reports its segmental information. Where applicable, the reportable operating segments derive their revenue primarily from the sale of consultancy and software. The head office costs represents costs associated with 1Spatial plc including costs of the board of Directors and other costs which are not specific to any of the other segments. Examples of cost include the group accounting function and marketing. It also includes costs associated with being an AIM listed company and other statutory costs including audit fees.

The Board assesses the performance of the operating segments based on a measure of adjusted EBITDA and adjusted EBITA. This measurement basis excludes the effects of strategic, integration and other one off items from the operating segments.

The segment information provided to the Board for the reportable segments for the year ended 31 January 2014 is as follows:

31 January 2014	Head Office £'000	Avisen £'000	Storage Fusion £000	1Spatial £'000	Star-Apic £'000	Total £'000
Revenue	-	1,502	386	10,629	4,749	17,266
Total revenue from third parties	-	1,502	386	10,629	4,749	17,266
Cost of sales	-	(1,125)	-	(5,217)	(2,721)	(9,063)
Gross profit	-	377	386	5,412	2,028	8,203
Total administrative expenses	(3,530)	(205)	(600)	(4,108)	(1,985)	(10,428)
Adjusted EBITDA	(2,195)	246	40	2,383	593	1,067
Less: depreciation	(21)	(4)	(44)	(142)	(66)	(277)
Adjusted EBITA	(2,216)	242	(4)	2,241	527	790
Less: amortisation and impairment of intangible assets	-	-	-	(421)	(206)	(627)
Less: share based payment charge	(399)	-	(21)	(167)	(14)	(601)
Less: strategic, integration and other one-off items	(915)	(70)	(189)	(349)	(264)	(1,787)
Total operating (loss)/profit	(3,530)	172	(214)	1,304	43	(2,225)
Finance income	40	-	-	1	3	44
Finance cost	(10)	(3)	(2)	(13)	(45)	(73)
Net finance income/(cost)	30	(3)	(2)	(12)	(42)	(29)
(Loss)/profit before tax	(3,500)	169	(216)	1,292	1	(2,254)
Tax	-	50	(68)	19	9	10
(Loss)/profit for the year	(3,500)	219	(284)	1,311	10	(2,244)
Loss attributable to non-controlling interests	-	-	-	-	(17)	(17)
(Loss)/profit attributable to equity holders of the parent	(3,500)	219	(284)	1,311	27	(2,227)
	(3,500)	219	(284)	1,311	10	(2,244)

31 January 2014	Head Office £'000	Avisen £'000	Storage Fusion £'000	1Spatial £'000	Star-Apic £'000	Total £'000
Segment assets	8,455	1,038	594	10,770	12,383	33,240
Segment liabilities	(1,060)	(94)	(737)	(3,567)	(5,664)	(11,122)
Segment net assets/(liabilities)	7,395	944	(143)	7,203	6,719	22,118

The revenue from external parties reported to the Board is measured in a manner consistent with that in the statement of comprehensive income.

The amounts provided to the Board in the year ended 31 January 2014 with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. Assets are allocated based on the operations of the segment and the physical location of the asset. Liabilities are allocated based on the operations of the segment.

3 Strategic, integration and other one off items

In accordance with the Group's policy for strategic, integration and other one off items, the following charges were included in this category for the year:

	2014 £'000	2013 £'000
Costs associated with acquisitions/aborted acquisitions	834	14
Integration costs associated with Star-Apic	484	-
Training and other costs associated with the implementation of the new ERP system	251	-
Restructuring and redundancy costs of non-Star-Apic business	126	608
Other	92	-

Total	1,787	622
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A high proportion of the cost associated with acquisitions and aborted acquisitions is in relation to the successful acquisition of Star-Apic. In addition, and in line with our stated strategy, we have assessed other potential acquisitions during the year. The cost of undertaking appropriate due diligence is included in this figure.

During the year, we largely completed the integration of Star-Apic into the 1Spatial business. The costs above are those specifically attributable to this and include: office move costs (to new premises in Paris), redundancy costs, rebranding costs and the costs of aligning development, sales and marketing strategies. In addition, the cost of developing 1Spatial's new global and multi-lingual website are included here.

To support our growth strategy, we have implemented a new ERP system. This went live in August 2013 in the UK, Ireland and Australia and is due to go live in France and Belgium during May 2014.

Other restructuring and redundancy costs relate to costs elsewhere in the Group, including 1Spatial, Avisen and Storage Fusion. The cost in 2012/13 was mainly in relation to the re-structuring of the 1Spatial trading business.

4 Income tax (credit)/charge

	2014 £'000	2013 £'000
<i>Current tax</i>		
UK corporation tax on income for year	-	(42)
Foreign tax	107	-
Adjustment in respect of prior years	(7)	(58)
Total current tax	100	(100)
<i>Deferred tax (note 16)</i>		
Origination and reversal in temporary differences	(14)	(190)
Change in rates of taxation	(96)	(97)
Total deferred tax	(110)	(287)
Total tax (credit)/charge	(10)	(387)

Factors affecting the tax (credit)/charge for the period:

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2014 £'000	2013 £'000
Loss on ordinary activities before tax	(2,254)	(4,780)
	(2,254)	(4,780)
Loss on ordinary activities before tax multiplied by the effective rate of corporation tax in the UK of 23.16% (2013: 24.33%)	(522)	(1,163)
Effect of:		
Expenses not deductible for tax purposes	199	914
Income not taxable	-	(3)
Foreign tax expensed	66	-
Capital allowances in excess of depreciation	(2)	14
Overseas tax rates lower than UK tax rates	(59)	-
Tax losses not recognised	535	266
Benefit of losses brought forward utilised not previously recognised	(152)	-
Other timing differences	99	(260)
Adjustments to tax charge in respect of prior periods	(7)	(58)
Adjustments to deferred tax in respect of earlier periods	(16)	-
Impact of change in tax rate	(151)	(97)
Total tax (credit)/charge for period	(10)	(387)

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 23.16%. Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and by a further 1% to 20% from 1 April 2015 was included in the Finance Act 2013 and substantively enacted on 17 July 2013 and so the relevant deferred tax balances have been re-measured at 20% for the current year end.

5 Intangible assets including goodwill

	Goodwill £'000	Brands £'000	Customers and related contracts £'000	Software £'000	Development costs £'000	Website costs £'000	Intellectual property £'000	Total £'000
Cost								
At 1 February 2013	10,040	232	899	3,149	1,678	30	-	16,028
Additions	-	-	-	-	1,714	-	12	1,726
Acquisition of subsidiary	2,904	-	1,644	1,071	-	-	-	5,619
Disposals	-	-	-	-	-	-	-	-
Effect of foreign exchange	(51)	-	(50)	(91)	(9)	-	-	(201)
At 31 January 2014	12,893	232	2,493	4,129	3,383	30	12	23,172
Accumulated impairment and amortisation								
At 1 February 2013	6,355	27	150	1,198	1,340	30	-	9,100
Amortisation	-	23	197	358	49	-	-	627
At 31 January 2014	6,355	50	347	1,556	1,389	30	-	9,727

Net book amount at 31 January 2014	6,538	182	2,146	2,573	1,994	-	12	13,445
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6 Cash and cash equivalents

	2014	2013
	£'000	£'000
Cash at bank and in hand	11,106	3,154
Financial assets - restricted access account	59	62
	11,165	3,216

The fair value of the Group's cash and cash equivalents is the same as its book value stated above.

7 Share capital and share premium

	2014	2013
Allotted, called up and fully paid	Number	Number
Ordinary shares of 1p each	650,415,354	350,415,354
Deferred shares of 4p each	226,699,878	226,699,878

	Ordinary shares of 1p each	Deferred shares of 4p each
At 1 February 2013	350,415,354	226,699,878
Issue of shares	300,000,000	-
At 31 January 2013	650,415,354	226,699,878

On 12 June 2013 1Spatial plc completed the placing of 300,000,000 new ordinary shares at a price of 6p per share.

Rights of shares**Ordinary shares**

The ordinary shares all rank pari passu, have the right to participate in dividends and other distributions made by the company, and to receive notice of, attend and vote at every general meeting of the company. On liquidation, ordinary shareholders are entitled to participate in the assets available for distribution pro-rata to the amount credited as paid up on such shares (excluding any premium).

Deferred Shares

The Deferred Shares do not carry voting rights or a right to receive a dividend. The holders of Deferred Shares will not have the right to receive notice of any general meeting of the Company, nor have any right to attend, speak or vote at any such meeting. The Deferred Shares will also be incapable of transfer (other than to the Company). In addition, holders of Deferred Shares will only be entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of Ordinary shares has received a payment of £1,000,000 in respect of each Ordinary Share. Accordingly, the Deferred Shares will have no economic value. No application will be made for the Deferred Shares to be admitted to trading on AIM nor to trading on any other stock or investment exchange.

8 Business Combinations

On 14 June 2013 1Spatial plc acquired 90% of the issued share capital of Star-Apic, the leading European provider of Geographic Information Systems software and solutions, for £5,092,000.

The following table summarises the consideration paid for Star-Apic group, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date:

	£'000
Value of cash consideration	5,092
Total purchase consideration	5,092

Assets and liabilities recognised at the date of acquisition:

	£'000
Intangible assets:	
- Software	1,071
- Customer relationships	1,644
Property, plant and equipment	1,238
Cash and cash equivalents	1,350
Trade and other receivables	2,886
Deferred tax assets	125
Trade and other payables	(4,033)
Deferred tax liabilities	(1,285)
Borrowings	(423)
Total identifiable net assets	2,573

Non-controlling interest	(385)
Goodwill	2,904
Total consideration - satisfied in cash	5,092

Costs relating to the acquisition of £506,000 have been excluded from the consideration stated above and have been recognised as a charge to the Statement of comprehensive income within administrative expenses.

The fair value of trade and other receivables is £2,886,000 and includes trade receivables of £2,053,000 which is expected to be fully collectable.

The acquired business contributed revenues of £4,749,000 and a net profit of £10,000 to the group for the period since acquisition to 31 January 2014. If the acquisition had occurred on 1 February 2013, consolidated revenue and consolidated loss for the year ended 31 January 2014 would have been £20,114,000 and £2,238,000 respectively.

On 16 January 2014, the remaining 10% of the issued share capital of Star-Apic was acquired by the group for cash consideration of £575,000. The difference between the consideration paid and reduction in non-controlling interest of £207,000 has been adjusted against retained earnings, attributable to owners of the company.

Net cash outflow on acquisition of subsidiaries:

	£'000
Acquisition of Star-Apic:	
Cash consideration	5,092
Less cash and cash equivalent balances acquired	(1,350)
Acquisition of 1Spatial Australia:	
Deferred cash consideration	133
Total purchase consideration	3,875

9 (Loss)/Earnings per ordinary share

Basic loss per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2014 £'000	2013 £'000
Loss attributable to equity holders	(2,227)	(4,393)
Adjustments:		
Amortisation and impairment of intangible assets	627	3,478
Share based payment charge	601	-
Integration, strategic and one off costs	1,787	622
Adjusted profit/(loss)	788	(293)

	2014 Pence	2013 Pence
Basic (loss) per share	(0.41)	(1.25)
Diluted (loss) per share	(0.41)	(1.25)
Adjusted basic earnings/(loss) per share	0.15	(0.08)
Adjusted diluted earnings/(loss) per share	0.14	(0.08)

	Number 000's	Number 000's
Basic weighted average number of ordinary shares	541,922	350,402
Impact of share options and warrants	29,128	-
Diluted weighted average number of ordinary shares	571,050	350,402

Where there is a loss per share, the share options and share warrants are not dilutive and hence the diluted earnings per share is the same as the basic.

10 Availability of Annual Report and Financial Statements

Copies of the Company's full Annual Report and Financial Statements are expected to be posted to shareholders in due course and, once posted, will also be made available to download from the Company's website at www.1spatial.com.

The Annual Report and Financial Statements will also be made available for inspection at the Company's registered office during normal business hours on any weekday. 1Spatial Plc is registered in England and Wales with registered number 5429800. The registered office is at Pannell House, Park Street, Guildford GU1 4HN.

11 Annual General Meeting

The Company's next Annual General Meeting ("AGM") will be held on 25 June and a formal Notice of AGM and proxy form have today been posted to those shareholders who have elected to receive hard copy shareholder communications from the Company and can also be downloaded from the Company's website at www.1spatial.com.


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