*The information contained within this announcement (the "**Announcement**") is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this Announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.*

Beeks Financial Cloud Group plc

("Beeks" or the "Company")

Interim Results

27 February 2019 – Beeks Financial Cloud Group plc (AIM: BKS), a niche cloud computing and connectivity provider for financial markets, is pleased to announce its unaudited results for the six months ended 31 December 2018.

Financial Highlights

- Revenues increased by 36% to £3.50m (H1 2018: £2.57m)
- Annualised Committed Monthly Recurring Revenue (ACMRR) up 26% to £7.45m (H1 2018: £5.93m)
- Gross profit up 43% to £1.70m (H1 2018: £1.20m)
- Gross profit margin 49% (H1 2018: 46%), impacted by the expansion into two new data centres which are expected to become more profitable in the second half of the year with a third in planning stage
- Underlying EBITDA* increased by 49% to £0.94m (H1 2018: £0.63m)
- Underlying profit before tax** up 46% to £0.41m (H1 2018: £0.28m)
- Underlying basic EPS** up 88% at 0.96p (H1 2018: 0.51 pence)
- Net cash as at 31 December 2018 is £1.84m (H1 2018: Net cash £2.55m)
- Proposed maiden interim dividend of 0.20p (H1 2018: 0.0p)

Statutory Equivalents

The above highlights are based on underlying results. Reconciliations between underlying and statutory results are contained within these financial statements. The statutory equivalents of the above results are as follows:

- Profit before tax of £0.34m (H1 2018: loss £0.11m)
- Basic earnings per share of 0.82p (H1 2018: loss 0.39p)

** Underlying EBITDA is defined as earnings before share based payment charges, amortisation, depreciation, finance costs and IPO exceptional costs*

*** Underlying profit before tax and underlying EPS excludes share based payment charges, amortisation on acquired intangibles and IPO exceptional costs*

Operational Highlights

- Signing of first Tier 1 client representing a major milestone for the company with strong pipeline of further institutional contracts
- Opening of two new data centres – London InterXion and Singapore which are now revenue generating with a third, Brazil in planning stage and expected to be revenue generating by the end of the year
- Number of institutional clients increased to 210 as at 31 December 2018 (31 December 2017: 170) with institutional revenue now representing almost 90% of total revenue

- Further key developments to the Self-service portal, including the ability to now provision Dedicated Servers as well as Virtual Private Servers
- Back Up as a Service on track to be launched in current financial year with significant interest being shown by clients looking at Infrastructure as a Service (IaaS) offerings
- Continued expansion of our new asset classes, furthering our Cryptocurrency offering
- Average entry level new institutional customer contract increased to £1,825 (H1 2018: £900)

Outlook

- Sales pipeline has increased materially during the period, including further Tier 1 opportunities although extended on-boarding processes result in a longer period before Beeks' services commence
- Tier 1 customers now recognising the advantages of Beeks' offering, with public company status helping Beeks to access larger clients
- Board confident in continued strong organic growth in H2 vs H1, following historic trend of growth being weighted in the second half
- FY2019 revenues expected to be broadly in line with expectations. Underlying PBT expected to grow by approximately 25 per cent. on FY2018
- Reduced underlying PBT FY2019 forecast reflects investment in platform infrastructure and operations, increased depreciation and amortization as well as geographic expansion
- Ongoing identification and assessment of strategic acquisition opportunities

Gordon McArthur, CEO of Beeks Financial Cloud commented:

"We are pleased to report on a steady first half performance, in which we have delivered both revenue and profit growth, while expanding our geographic footprint and service. With the expected launch of Brazil later this year, we will have a footprint in all the key trading centres around the world and we continue to evaluate new locations to deploy our low latency Cloud.

Signing our first Tier 1 organisation was a major milestone for the Group as it demonstrates our growing capabilities, and as we move into the second half of the year, our focus will be on expanding our institutional customer base both for hybrid cloud management and our core low latency offering.

This is a good first half performance, during which 99% of the Group's revenue was recurring. As is usual, we expect to see the majority of new contract wins and growth to be weighted in the second half of the financial year."

For further information please contact:

Beeks Financial Cloud Group plc

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ABOUT BEEKS FINANCIAL CLOUD

Beeks Financial Cloud is a UK-based low-latency Infrastructure-as-a-Service (IaaS) provider for automated trading in Forex, Futures, Equities, Fixed income and cryptocurrency financial products. With eleven data centres globally and low-latency connectivity between sites, the Beeks Financial Cloud focuses on reducing barriers to entry and time to market for institutional clients. For more information, visit: www.beeksfinancialcloud.com.

Chairman's Statement

The strong revenue growth delivered each year since inception has continued in the first half of FY2019 with revenues growing by 36% to £3.5m, resulting in an increase in underlying EBITDA of 49% to £0.94m.

Throughout the period, the Company continued investing in the Group's platform and operations, and in enhancing its product offering and its geographical presence, as set out in its strategy at the time of the IPO. This has not only strengthened our competitive positioning but has also provided us with a platform for future growth. With the opening of two new data centres locations during the period, Beeks is now able to offer hosting in 11 geographical locations.

One of Beeks' goals following its IPO was to expand its client base to include larger Tier 1 organisations. During the period the Company signed its first contract with a Tier 1 institution for the longer term management of the hybrid cloud activities across both the Beeks' private cloud and the public cloud. This was a major milestone for the Group as it demonstrates the growing capabilities of the business and its expanding addressable market opportunity.

As we move into the second half of the year, our focus will be on growing the institutional customer base and the conversion of the pipeline as well as increasing the customer footprint within our newly launched data centres locations, both exciting avenues of growth.

The Board is pleased to announce a proposed maiden interim cash dividend to shareholders of 0.20p per share (H1 2018: 0p per share). This is in line with the company's progressive dividend policy and reflects the Board's confidence in the current financial position of the Group and future prospects.

We would like to take this opportunity to thank our entire team for their continual hard work which has enabled Beeks to expand while also fulfilling the requirements of our clients. The board remains confident in the growth prospects of the Group.

Mark Cubitt
Chairman
26 February 2019

Chief Executive Officer's Review

Our vision is simple: to provide a rapidly deployable, secure and scalable cloud environment for financial institutions.

We are pleased to report on a solid first half performance, in which we have delivered both revenue and profit growth. Historically, we have seen the majority of our growth and contract delivery weighted in the second half of the financial year and expect to see this again this year. We have expanded our geographic footprint and service launching two new data centre locations in Singapore, London and with a third planned in Brazil. This would bring our total locations to 12 and would mean Beeks have a footprint in all the key trading centres around the world. We continue to evaluate new locations to deploy our low latency Cloud. Singapore and London are now generating revenue, and these locations are expected to become more profitable in the second half of the year.

Benefitting from our public profile, we continue to see considerable momentum towards the adoption of our business model in our marketplace, evidenced by the number of financial institutions using our platform, growing from 192 at the year end to 210 as of today, and by the signing of our first Tier 1 client. Our cloud-based Infrastructure as a Service ('IaaS') model allows financial organisations the flexibility and agility to deploy and connect to a variety of trading venues globally, at speed and at a fraction of the cost of building their own networks and infrastructure. We increasingly have the ability to support financial institutions in their wider cloud requirements and see this as a promising additional growth opportunity for Beeks moving forward. These contracts take longer to negotiate and onboard but further increase the quality of the recurring revenue and are being pursued in addition to our core low latency offering.

We have had a number of wins in the hybrid cloud management space where clients have used Beeks for low latency direct connectivity for trading applications as well as connecting them to the larger generic cloud vendors to communicate with other cloud based applications. This is a growing area for us and one that we are in a good position to exploit, rather than competing with the generic providers. We have adopted a co-existence policy and technology footprint to give clients the best of both worlds.

We are confident that our operational developments, including geographical expansion, our continued investment in our customer services via the Partner Portal, and our strategic aim of attracting further Tier 1 clients, will allow us to build upon our continued organic growth.

Financial performance

The Group delivered strong growth in the first half in comparison to the corresponding period last year. Revenue increased by 36% year on year with growth in institutional sales, on which management is focussed, being particularly encouraging. Beeks has almost 99% recurring revenue and customer retention remained high. Our Annualised Committed Monthly Recurring Revenues (ACMRR) reached at £7.45m at 31 December 2018, increasing from £6.90m at 30 June 2018. FY2019 revenues expected to be broadly in line with expectations.

Gross profit margin, whilst growing to 49%, reflects investment in the Group including the expansion into two new data centres which are expected to become more profitable in the second half of the year and our self-service portal. We have reduced our underlying PBT FY2019 forecast to reflect this investment, increased depreciation and amortisation as well as corporate costs.

Market & Strategy

Our principal objective is to grow our institutional customer base in the markets for automated trading. Financial institutions around the world are looking to increase their customer offerings and require sophisticated cloud-based technology platforms to do so. Growth will be achieved through the entry into new geographies, further development of our offerings across the asset classes, and the continued evolution of our self-service web portal. The ease and speed with which our customers can increase their use of our platform via the web portal continues to be a strong competitive differentiator for the Group.

We will continue to add further services to our platform, such as data feeds from additional trading venues, data normalisation (where data from trading venues is collated and packaged), cloud data recovery and additional connectivity offerings and WAN capacity.

We have made our first strides into the Tier 1 institutional space with one significant win and other opportunities identified. This was our goal and a key reason for the IPO so we are delighted to see these important relationships come to fruition.

Operational Expansion

The first half of the year saw the continued expansion of our business into new geographies and further enhancements to our automation engines and web portal. Headcount has remained steady at 33 from 30 June to 31 December 2018, helped by the automation of support tasks through our self service portal.

Our two newest sites became revenue generating during the first half of the year, being Singapore Exchange, Asia’s leading international, multi-asset exchange, and InterXion in London. Good levels of customer interest means we are on track to reach break-even at a monthly operating level at these new sites within our targeted timeline of 12 months. We have also been in planning stage and are expecting to launch our first South American deployment, at the B3 exchange in Brazil. B3 Brazil is a growing exchange, the second largest in the Americas, that will provide access for Beeks to South American markets. Adoption of this site has been prompted by a rise in customer demand, and we believe it will contribute positively to our growth. We are achieving our geographic expansion ahead of schedule and will now focus on increasing utilisation of these sites.

With the recent regulatory changes in the domestic Chinese market we have maintained our “wait and see” strategy before investing in hard assets in country. We have established a local entity registered to trade which will be supported by a small local team based in Shanghai, so we can move quickly if our confidence in the regulatory environment changes.

Our expansion into new asset classes and geographies has aided the increase in our average monthly client revenue, as well as bringing new customers. We have continued to add connectivity to several cryptocurrency exchanges, as well as beginning to host more crypto exchanges and platforms on our infrastructure, meeting the rise in customer demand and connecting clients to mutual partners. We will continue to expand our offering in this area, in addition to seeking to exploit further opportunities within the Fixed Income and Equities space as client demand dictates.

Our web portal is an industry-leading customer self-service portal that automates the creation of infrastructure to allow clients the ability to build servers themselves. By reducing human intervention, the speed and ease of the provision of products is greatly improved with a basic virtual private server, the building block for our clients being able to trade, being ready in as little as five minutes. Our continuous development of the portal now allows for provision of dedicated servers, as well as providing a platform for our clients to take inventory of their infrastructure and to check available capacity of Beeks’ servers across our global locations. This, in turn, facilitates the scaling of client infrastructure as clients can choose and build additional servers at their own pace. This is unique to Beeks in the financial services sector.

We have sufficient unused power and capacity around the world to meet our current growth projections without significant additional increase in monthly operating spend requirements.

Customers

Institutional customer numbers using the platform grew from 192 at 30 June 2018 to 210 at 31 December 2018, and the average entry level new institutional customer contract has increased to £1,825 per month from £900 per month when compared to the same period last year. Institutional revenue, which continues to be our focus, now represents almost 90% of total revenue. The last year has seen a considerable expansion of the types of customer we support, with Beeks now catering for banks, brokers, hedge funds, crypto traders and exchanges. We signed our first Tier 1 customer at the end of the half and following a successful implementation have launched their service ahead of schedule. This is a significant validation of our strategy and bodes well for future growth.

Future Growth and Outlook

Our business opportunities are stronger than ever going into the second half of the new financial year as we see continued momentum to our Infrastructure as a Service model across a growing range of customer types and scale. We are confident the business will continue to grow. Historically, we have seen the majority of our signings weighted in the second half of the financial year and expect to see this again this year. Our strategic focus on Asia has driven an increase in revenues and we will look to replicate this initial success in South America in the second half of the year. With an established and growing customer base, high levels of recurring revenue and strong market drivers, we are confident in delivering a successful outcome for the year ahead.

Gordon McArthur
CEO
26 February 2019

Chief Financial Officer's Review

Financial Review

We are pleased to report a sound set of financial results for the first half of the year demonstrating significant growth in all of our key financial metrics.

Group revenues grew by 36% to £3.50m (H1 2018: £2.57m), driven by continued organic growth. 99% of the Group's revenues were recurring. Annualised Committed Monthly Recurring Revenues (ACMRR) increased by 26% to £7.45m (H1 2018: £5.93m).

Gross profit earned increased 43% to £1.70m (H1 2018: £1.20m) and the Group saw an increase in gross margins from 47% to 49% as a result of the previous investments made in capacity now becoming revenue generating. In comparison to FY 2018, gross margins are lower, impacted by the expansion into two new data centres in London InterXion and Singapore. The company target is to reach a monthly breakeven level within 12 months of new territories coming live so these areas are anticipated to become more profitable as we move into the second part of the year.

Earnings before interest, tax, depreciation, amortisation and exceptional costs ("Underlying EBITDA") increased by 49% to £0.94m (H1 2018: £0.63m) with underlying EBITDA margins increasing to 27% (H1 2018: 25%).

Profit Before Tax

	Period ended 31 Dec 2018 £000	Period ended 31 Dec 2017 £000
Profit / (loss) before tax for the period	340	(106)
Add back:		
IPO exceptional costs	-	343
Amortisation of acquired intangibles	40	43
Share based payments	30	-
Underlying profit for the period	410	280

Reported profit before tax increased to £0.34m (H1 2018: loss £0.11m) as a result of increased sales and improved margins as well as no exceptional costs during the period.

Underlying EBITDA, underlying profit before tax and underlying earnings per share are alternative performance measures, considered by the Board to be a better reflection of true business performance than statutory measures only.

Underlying EBITDA increased by 49% to £0.94m (H1 2018: £0.63m) driven by organic revenue growth.

Cost of sales has increased by 31% to £1.80m (H1 2018: £1.38m), largely due to a 55% increase in depreciation and amortisation to £0.51m (H1 2018: £0.33m). This was due to further investment across our asset base to support both geographical expansion and customer growth as well as further investment in our customer self-service portal.

There has also been an increase in Administrative expenses excluding IPO exceptional costs of 45% to £1.30m (H1 2018: £0.90m) largely driven by an increase in staff numbers (when compared to this time last year) as we have had to recruit to support our growing business. Professional fees such as audit and advisory, legal as well as the mandatory compliance costs of being an AIM listed public company have increased by £0.11m as the comparative period last year only had one month of these costs following the Company's listing in November 2017.

Finance costs of £0.07m (H1 2018: £0.06m) have been flat. No additional leases have been signed during the first six months of the year as growth has been financed by cash reserves.

The Group has continued to invest in developing innovative technology solutions and has incurred capitalised development cost to date of £0.58m largely due to the customer self service portal (H1 2018: £0.11m).

Taxation

The effective tax rate ('ETR') for the period is (22%), (H1 2018: 42%). Significant tax credits have been recognised in respect of expected R&D claims and deductions for share options exercised during the year as well as carried forward losses in foreign jurisdictions.

Earnings Per Share and Dividends

Underlying earnings per share rose to 0.96 pence (H1 2018: 0.51 pence). Underlying diluted earnings per share rose to 0.95 pence (H1 2018: 0.51 pence).

Basic earnings per share rose to 0.82 pence (H1 2018: 0.39 pence loss). Diluted earnings per share rose to 0.81 pence (H1 2018: 0.39 pence loss).

Maintaining our progressive dividend policy, we will pay a maiden interim dividend of 0.20 pence per share (H1 2018: 0p) on 31 March 2019 to shareholders on the register on 8 March 2019, with an ex-dividend date of 7 March 2019. This dividend represents a pay-out ratio of 21% of the underlying diluted earnings per share for the interim period.

Balance Sheet and Cashflows

At 31 December 2018 net assets were £5.05m compared to net assets of £3.81m at 31 December 2017 and net assets of £4.84m at 30 June 2018.

The Group ended the period with net cash of £1.84m (31 December 2017: net cash £2.55m).

The Group's outstanding borrowings and finance leases stood at £0.57m at 31 December 2018 (31 December 2017: £0.68m) and has been reduced as cash resources are used to acquire additional infrastructure equipment in place of expensive historic lease finance. Borrowings and finance leases were reduced by £0.23m during the first six months of the year.

Key performance indicator review

	H1 2019	**H1 2018**	**Growth**
Revenue	£3.50m	£2.57m	36.2%
ACMRR	£7.45m	£5.93m	25.6%
Gross profit	£1.70m	£1.20m	41.7%
Gross margin	48.6%	46.7%	
Underlying EBITDA	£0.94m	£0.63m	49.2%
Underlying EBITDA margin	26.8%	24.5%	
Underlying profit before tax	£0.41m	£0.28m	46.4%
Underlying basic EPS	0.96p	0.51p	88.2%
Dividend per share	0.20p	nil	

Fraser McDonald
CFO
26 February 2019

Beeks Financial Cloud Group PLC
Consolidated statement of comprehensive income
For the period ended 31 December 2018

	Note	6 months to December 2018 (unaudited)	6 months to December 2017 (unaudited)	Year to 30th June 2018 (audited)
		£'000	£'000	£'000
Revenue	3	3,505	2,571	5,583
Cost of sales		(1,802)	(1,376)	(2,602)
Gross profit		**1,703**	**1,195**	**2,981**
Administrative expenses		(1,300)	(1,239)	(2,081)
Operating profit/(loss)	4	**403**	**(44)**	**900**
Presented as:				
Earnings before depreciation, amortisation and IPO Exceptional costs		**910**	**632**	**1,946**
IPO exceptional costs		-	(343)	(368)
Depreciation and amortisation expense		(507)	(333)	(678)
Operating profit/(loss)		**403**	**(44)**	**900**
Finance income		3	-	2
Finance costs		(66)	(62)	(155)
Profit/(loss) before taxation for the period		**340**	**(106)**	**747**
Taxation	5	76	(45)	10
Profit/(loss) after taxation for the period		**416**	**(151)**	**757**
Other comprehensive income				
Items that may be reclassified to Statement of Comprehensive income				
Exchange (losses) / gains on retranslation of foreign operations		(1)	(17)	1
Total comprehensive income for the period		**415**	**(168)**	**758**
		Pence	Pence	Pence
Basic earnings per share	6	0.82	(0.39)	1.66
Diluted earnings per share	6	0.81	(0.39)	1.60

Beeks Financial Cloud Group PLC
Consolidated statement of financial position
For the period ended 31 December 2018

	December 2018 (unaudited)	December 2017 (unaudited)	June 2018 (audited)
Assets	**£'000**	**£'000**	**£'000**
Non-current assets			
Property, plant and equipment	2,149	1,208	2,137
Intangibles	969	621	852
Deferred tax	285	48	255
Total non-current assets	3,403	1,877	3,244
Current assets			
Cash and cash equivalents	2,410	3,230	2,887
Trade and other receivables	863	615	664
Total current assets	3,273	3,845	3,551
Total assets	6,676	5,722	6,795
Liabilities			
Non-current liabilities			
Borrowings and other financial liabilities	140	338	332
Deferred tax	111	66	108
Total non-current liabilities	251	404	440
Current liabilities			
Trade and other payables	1,371	1,505	1,511
Total current liabilities	1,371	1,505	1,511
Total liabilities	1,622	1,909	1,951
Net assets	5,054	3,813	4,844
Equity			
Issued share capital	63	61	62
Reserves	4,479	4,432	4,450
Retained profits/(accumulated losses)	512	(680)	332
Total equity	5,054	3,813	4,844

Beeks Financial Cloud Group PLC
Consolidated statement of changes in equity
For the period ended 31 December 2018

	Issued capital £'000	Foreign currency retranslation reserve £'000	Merger relief reserve £'000	Other reserve £'000	Share premium £'000	Share based payment reserve £'000	Retained profits £'000	Total equity £'000
Balance at 1 July 2017	2	83	372	(315)	-	-	(517)	(375)
Loss after taxation for the period	-	-	-	-	-	-	(151)	(151)
Total comprehensive income for the period	-	-	-	-	-	-	(151)	(151)
Exchange loss on retranslation of foreign operations	-	(17)	-	-	-	-	-	(17)
Transactions with owners in their capacity as owners:						-		
Issue of share capital	59	-	-	-	-	-	(12)	47
Issue of share premium	-	-	-	-	4,309	-	-	4,309
Balance at 31 December 2017	61	66	372	(315)	4,309	-	(680)	3,813
						-		
Balance at 31 December 2017 (unaudited)	61	66	372	(315)	4,309	-	(680)	3,813
Profit after taxation expense for the period	-	-	-	-	-	-	908	908
Exchange gain/(loss) on retranslation of foreign operation	-	18	-	-	-	-	-	18
Issue of share capital	1	-	-	-	-	-	-	1
Deferred tax movement on shares	-	-	-	-	-	-	104	104
Balance at 30 June 2018	62	84	372	(315)	4,309	-	332	4,844
Balance at 1 July 2018	62	84	372	(315)	4,309	-	332	4,844
Profit after taxation for the period	-	-	-	-	-	-	416	416
Total comprehensive income for the period	-	-	-	-	-	-	416	416
Exchange loss on retranslation of foreign operations	-	(1)	-	-	-	-	-	(1)
Share based payments	-	-	-	-	-	30	-	30
Transactions with owners in their capacity as owners:								
Issue of share capital	1	-	-	-	-	-	-	1
Dividends paid	-	-	-	-	-	-	(152)	(152)
Deferred tax movement on shares	-	-	-	-	-	-	(84)	(84)
Balance at 31 December 2018	63	83	372	(315)	4,309	30	512	5,054

Beeks Financial Cloud Group PLC
Consolidated statement of cash flows
For the period ended 31 December 2018

	6 months to		Year to
	December 2018 (unaudited)	December 2017 (unaudited)	June 2018 (audited)
	£'000	£'000	£'000
Cash flows from operating activities			
Profit/(Loss) before taxation for the period	340	(106)	747
Adjustments for:			
Depreciation and amortisation	507	333	678
Share based payments	30	-	-
Interest and other finance costs	63	62	153
Operating cash flows before movements in working capital	940	289	1,578
(Increase) in trade and other receivables	(199)	(223)	(270)
(Decrease) in trade and other payables	(95)	(664)	(768)
Cash generated from operating activities	646	(598)	540
Taxation paid	(26)	(32)	(92)
Net cash from operating activities	620	(630)	448
Cash flows from investing activities			
Purchase of property, plant and equipment	(448)	(271)	(1,071)
Capitalisation of development costs	(200)	(111)	(384)
Net cash used in investing activities	(648)	(382)	(1,455)
Cash flows from financing activities			
Proceeds from borrowings	-	151	-
Repayment of borrowings	(17)	(59)	(78)
Sale and leaseback of property, plant and equipment	-	-	203
Finance lease repayments	(218)	(167)	(458)
Interest and other finance costs	(63)	(62)	(153)
Dividends paid	(152)	-	-
Proceeds from the issue of new share capital	1	4,356	4,357
Net cash (used in)/from financing activities	(449)	4,219	3,871
Net (decrease)/increase in cash and cash equivalents	(477)	3,207	2,864
Cash and cash equivalents at the beginning of the financial period	2,887	23	23
Cash and cash equivalents at the end of the financial period	2,410	3,230	2,887

Note 1. General information

The financial statements cover the consolidated entity, Beeks Financial Cloud Group PLC and the entities it controlled at the end of, or during, the interim period to 31 December 2018.

The company is a public limited company which is quoted on the Alternative Investment Market and is incorporated and domiciled in United Kingdom. Its registered office and principal place of business are:

Registered office
Phoenix House
Pegasus Avenue,
Phoenix Business Park,
Paisley,
PA1 2BH.

Note 2. Basis of preparation

The financial information for the period ended 31 December 2018 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 and is unaudited. The figures for the year ended 30 June 2018 have been extracted from the Group financial statements for that year. Those have been filed with the Registrar of Companies. The auditor's report on those financial statements was unmodified and did not contain statements under Section 498(2) or Section 498(3) of the Companies Act 2006.

The interim financial information has been prepared using the same accounting policies and estimation techniques as will be adopted in the Group financial statements for the year ending 30 June 2019. The group financial statements for the year ended 30 June 2018 were prepared under International Financial Reporting Standards as adopted by the European Union. These interim financial statements have been prepared on a consistent basis and format with the Group financial statements for the year ended 30 June 2018, with the exception of the adoption of IFRS 9 and IFRS 15. The impact of adopting IFRS 9 and IFRS 15 is discussed further below.

The provisions of IAS 34 'Interim Financial Reporting' have not been applied in full.

New accounting standards and interpretations

IFRS 9 has introduced a new expected credit loss impairment model, however this does not have a material impact on the Group financial statements. Full disclosures of the impact of IFRS 9 will be reported in our annual report to 30 June 2019.

In addition to IFRS 9 noted above, the Group has also adopted IFRS 15 Revenue from Contracts with Customers. The adoption of IFRS 15 does not have a material impact on the Group financial statements for the period and had no impact on comparative information from prior periods.

During the year ended 30 June 2019, the Group carried out a detailed review of the recognition criteria for revenue on all aspects of the business and the various revenue streams applying the requirements of IFRS 15 to ensure the same principles were being applied consistently across the Group. Upon application of the standard, the only change related to sales commission which was previously recognised upon completion of the sale. In line with recognition of revenue, directly attributable sales commission earned on revenue is now spread over the life of the contract to which the commission relates, impacting cost of sales and deferred commission costs disclosed within trade and other receivables. This did not result in a material impact on the Group financial statements and no other changes in accounting policy resulted. Set up fees charged on contracts were assessed during the review and due to the nature of the fees, the short term length of standard contracts and short term cancellation period offered, it was not deemed appropriate to defer this revenue and instead continue to recognise these fees upfront when set-up was complete.

Going Concern
The Directors have assessed the current financial position of Beeks Financial Cloud Group plc. Given the company's profitability and working capital position, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the Directors have adopted the going concern basis in preparing the interim report.

Note 3. Operating Segments

Identification of reportable operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of operating segments, have been identified as the Executive Board.

During the period ended 31 December 2018, the Group was organised into two main business segments for revenue purposes. The group does not place reliance on any specific customer and has no individual customer that generates 7% or more of its total group revenue. Performance is assessed by a focus on the change in revenue across both institutional and retail revenue. Cost is reviewed at a cost category level but not split by segment. Assets are used across all segments and are therefore not split between segments so management review profitability at a group level.

	6 months to		**Year to**
	December 2018 (unaudited)	**December 2017 (unaudited)**	**30th June 2018 (audited)**
	£'000	**£'000**	**£'000**
United Kingdom	672	335	760
Europe	420	364	729
Rest of World	2,413	1,872	4,094
Total	3,505	2,571	5,583

	6 months to		**Year to**
	December 2018 (unaudited)	**December 2017 (unaudited)**	**30th June 2018 (audited)**
	£'000	**£'000**	**£'000**
Revenue by segment are as follows:			
Institutional Revenue	3,111	2,128	4,752
Retail Revenue	394	443	831
Total Revenue	3,505	2,571	5,583

Note 4. Operating profit / (loss)

	6 months to December 2018 (unaudited)	6 months to December 2017 (unaudited)	Year to 30th June 2018 (audited)
	£'000	£'000	£'000
Operating profit / (loss) is stated after charging:			
Depreciation	434	290	584
Amortisation of intangibles	73	43	94
Currency translation cost on settlement	15	38	15
IPO exceptional items	-	343	368

Note 5. Taxation

	6 months to December 2018 (unaudited)	6 months to December 2017 (unaudited)	Year to 30th June 2018 (audited)
	£'000	£'000	£'000
Current Tax			
Corporation tax on profits for the period	-	34	-
Foreign tax on overseas companies	34	32	56
Over provision in respect of prior periods	-	-	3
Total current tax	34	66	59
Deferred tax			
Original and reversal of temporary differences	(110)	(21)	(53)
Adjustments in respect of prior periods	-	-	(16)
Total Deferred tax	(110)	(21)	(69)
Total tax (credit)/charge	(76)	45	(10)

The effective tax rate for the six months to 31 December 2018, based on the taxation credit for the period as a percentage of the profit before tax is (22%), (H1 2018: 42%). The main factors that have caused the Group to have a tax credit for the period is in respect of expected R&D claims and deductions for share options exercised during the year as well as carried forward losses in foreign jurisdictions. The prior period tax charge estimate was also higher due to a significant amount of disallowed IPO exceptional costs.

Note 6. Earnings per share

As at 30 June 2018, the company had 50,043,100 shares. During the period to 31 December 2018 709,900 share options were exercised taking the total number of shares to 50,753,000.

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the total of the weighted average number of ordinary shares in issue during the year and adjusting for the dilutive potential ordinary shares relating to share options.

	6 months to		Year to
	December 2018 (unaudited)	December 2017 (unaudited)	30th June 2018 (audited)
	£'000	£'000	£'000
Numerator			
Profit/(Loss) after taxation attributable to the owners of the parent	416	(168)	757
Denominator			
Weighted average number of ordinary shares used in calculated basic earnings per share	50,505,633	42,641,304	45,530,623
Weighted average number of ordinary shares used in calculated diluted earnings per share	51,070,683	42,641,304	47,190,827
Profit/(Loss) per share - basic	0.82	(0.39)	1.66
Profit/(Loss) per share - diluted	0.81	(0.39)	1.60

During the period, 709,900 options were exercised and 308,824 options were granted, taking the total number of options to 420,624 at 31 December 2018.

Note 7. Events after the reporting period

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 8. Availability of announcement and Half Yearly Financial Report

Copies of this announcement are available on the Company's website, www.beeksfinancialcloud.com. Copies of the Interim Report will be downloadable from the Company's website and available from the registered office of the Company shortly.

Beeks Financial Cloud Group PLC
Independent Review Report to Beeks Financial Cloud Group PLC
For the period ended 31 December 2018

Introduction

We have been engaged by the company to review the financial information in the half-yearly financial report for the six months ended 31 December 2018 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flows and the related explanatory notes that have been reviewed. We have read the other information contained in the half yearly financial report which comprises only the financial highlights, Chairman's Statement, Chief Executive's review and Chief Financial Officer's review and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of and has been approved by, the directors. The AIM Rules for Companies of the London Stock Exchange require that the accounting policies and presentation applied to the financial information in the half-yearly financial report are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The financial information in the half-yearly financial report has been prepared in accordance with the basis of preparation in Note 2.

Our responsibility

Our responsibility is to express a conclusion to the company on the financial information in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 31 December 2018 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 2.

Use of our report

This report is made solely to the company, as a body, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company as a body, for our review work, for this report, or for the conclusion we have formed.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
110 Queen Street
Glasgow
G1 3BX
26 February 2019