Regulatory Announcement

Go to market news section

Company	Sanderson Group PLC
TIDM	SND
Headline	Total Voting Rights
Released	11:27 28-Sep-07
Number	7290E

RNS Number:7290E
Sanderson Group PLC
28 September 2007

Total voting rights

In accordance with the transitional provisions of the Disclosure and Transparency Rules, Sanderson Group plc ("Sanderson") confirms that its issued share capital comprises 42,281,744 ordinary shares of 10p each.

All of the ordinary shares have equal voting rights, and none of the ordinary shares is held in treasury. The total number of voting rights in Sanderson is therefore 42,281,744.

This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of Sanderson under the Disclosure and Transparency Rules.

Enquiries:

Adrian Frost
Group Finance Director
Tel: 02476 555466

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The company news service from the London Stock Exchange

END

Close

Regulatory Announcement

Go to market news section

Company	Sanderson Group PLC
TIDM	SND
Headline	Holding(s) in Company
Released	12:52 18-Sep-07
Number	0329E

RNS Number:0329E
Sanderson Group PLC
18 September 2007

TR-1: NOTIFICATION OF MAJOR INTERESTS IN SHARES

1. Identity of the issuer or the underlying issuer of existing shares to which voting rights are attached:

   Sanderson Group Plc

2. Reason for the notification (please state Yes/No):

   An acquisition or disposal of voting rights: Yes

   An acquisition or disposal of financial instruments which may result in the acquisition of shares already issued to which voting rights are attached: No

   An event changing the breakdown of voting rights: No

   Other (please specify): No

3. Full name of person(s) subject to the notification obligation:

   Universities Superannuation Scheme Ltd

4. Full name of shareholder(s) (if different from 3):

5. Date of the transaction (and date on which the threshold is crossed or reached if different) :

   14 September 2007

6. Date on which issuer notified:

   18 September 2007

7. Threshold(s) that is/are crossed or reached:

   Below 3%

8. Notified details:

A: Voting rights attached to shares

Class/type of shares if possible using the ISIN CODE	Situation previous to the Triggering transaction	
Ordinary Shares	Number of shares	Number of voting Rights
GB00B04X1Q77	1,475,000	1,475,000

Resulting situation after the triggering transaction

Class/type of shares if possible using the ISIN CODE	Number of shares	Number of voting rights		% of voting rights	
Ordinary Shares	Direct	Direct	Indirect	Direct	Indirect
GB00B04X1Q77	1,225,000	1,225,000	-	2.9%	-

B: Financial Instruments

Resulting situation after the triggering transaction

Type of financial instrument	Expiration Date	Exercise/ Conversion Period/ Date	Number of voting rights that may be acquired if the instrument is exercised/ converted.	% of voting rights
N/A	N/A	N/A	N/A	N/A

Total (A+B)

Number of voting rights	% of voting rights
1,225,000	2.9%

9. Chain of controlled undertakings through which the voting rights and/or the financial instruments are effectively held, if applicable

   N/A

Proxy Voting:

10. Name of the proxy holder:

    Not disclosed

11. Number of voting rights proxy holder will cease to hold:

    N/A

12. Date on which proxy holder will cease to hold voting rights:

    N/A

13. Additional information:

    N/A

14. Contact name:

    Adrian Frost, Finance Director and Company Secretary, Sanderson Group Plc

15. Contact telephone number:

    02476 555466

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The company news service from the London Stock Exchange

END

Close

Regulatory Announcement

Go to market news section

Company	Sanderson Group PLC
TIDM	SND
Headline	Additional Listing
Released	15:18 17-Sep-07
Number	9713D

RNS Number:9713D
Sanderson Group PLC
17 September 2007

Sanderson Group plc (the "Company")

Additional Listing

Further to the acquisition of Retail Business Solutions Group Limited ("RBS") announced on 14 September 2007 Sanderson Group plc announces that it has today applied for the Admission to AIM ("Admission") of 468,262 new ordinary shares of 10 pence each in the capital of the Company which have been issued at a price of 48.05 pence per share. These shares are being issued to the vendors of RBS as part of their consideration.

The new ordinary shares will rank pari passu in all respects with the Company's existing ordinary shares. It is expected that Admission of the new ordinary shares will become effective on or around 21 September 2007.

This information is provided by RNS
The company news service from the London Stock Exchange

END

Close

Regulatory Announcement

Go to market news section

Company	Sanderson Group PLC
TIDM	SND
Headline	Directors' Shareholdings
Released	12:26 17-Sep-07
Number	9562D

RNS Number:9562D
Sanderson Group PLC
17 September 2007

Directors' Shareholdings

Sanderson Group plc ('Sanderson' or 'the Company'), announces that it was informed today of the following directors' dealings.

Mr Christopher Winn, Executive Chairman of the Company, purchased 60,000 ordinary shares in Sanderson on 14 September 2007 at a price of 50 pence per share. Mrs Angela Winn, wife of Christopher Winn, purchased 440,000 ordinary shares in Sanderson on 14 September 2007 at a price of 50 pence per share.

Following these purchases, Mr Winn has an interest in 1,598,199 ordinary shares and options over 2,037,715 ordinary shares.

Mr David O'Byrne, the managing director of the Company, purchased 20,000 ordinary shares in Sanderson on 14 September 2007 at a price of 50 pence per share.

Following this purchase, Mr O'Byrne has an interest in 232,754 ordinary shares and options over 1,228,945 ordinary shares.

Mr Adrian Frost, the finance director of the Company, purchased 6,000 ordinary shares in Sanderson on 14 September 2007 at a price of 50 pence per share.

Following this purchase, Mr Frost has an interest in 21,000 ordinary shares and options over 622,369 ordinary shares.

Enquiries:

Christopher Winn, Executive Chairman
Sanderson Group plc - 02476 555466

Paul Vann
Winningtons Financial - 0117 920 0092

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The company news service from the London Stock Exchange

END

Close

For immediate release 14 September 2007

Sanderson Group plc: £14 million acquisition

Purchase of Retail Business Solutions Group Limited – largest acquisition since flotation

Sanderson Group plc ('Sanderson', 'Group'), an established provider of market-specific software and IT services to the UK multi-channel retail and commercial sectors, today announces the acquisition of Retail Business Solutions Group Limited ('RBS', 'Company'), for up to £14 million in cash and shares.

The total initial consideration for the acquisition is £12.275 million in cash, of which £9.225 million will be funded by way of additional bank borrowing. Senior RBS management who are all continuing with the business have elected to take 468,262 new Ordinary Sanderson shares (the 'Consideration Shares') as part of their consideration. The Consideration Shares are valued at £225,000 based on the average closing mid-market price of 48.05 pence over the ten business days preceding 13 September 2007. Application will be made to the London Stock Exchange for the Consideration Shares to be admitted to AIM.

Based in Milton Keynes, RBS was formed in 1988 and is a well established provider of solutions to the retail sector. The Company markets and supports solutions which provide front and back office electronic point-of-sale systems including the highly successful Retail-J software together with a full range of IT services. RBS employs 74 people and has approximately 200 customers throughout the UK and Ireland, including Blacks Leisure, Harrods and French Connection. Mr Richard Goodall has led the Company since 2000 and following the acquisition will continue as Managing Director of the business within Sanderson.

For the twelve months ended 31 March 2007, RBS achieved revenues of £11.98 million and profit before interest and tax of £1.34 million. Gross assets were £8.73 million at 31 March 2007 and at completion the Company had cash balances of £3.5 million. Sanderson expects the acquisition to be earnings enhancing in the first full year*.

Further consideration up to a maximum of £1.5 million in cash may be payable dependent upon the achievement by RBS of certain performance targets for a period ending not later than 30 September 2008. The senior management of RBS will receive options on 600,000 shares which, subject to performance criteria being met, will be exercisable from 1 October 2010.

The acquisition of RBS significantly enhances the Group's market position and the multi-channel retail customer base will increase to over 600 clients. The enlarged Sanderson product and services portfolio will provide good opportunities for cross-selling, and the managed service capability within RBS provides an exciting opportunity to further develop the Group. The success of RBS in gaining new clients, with recent additions including Slater Menswear and Wyevale Garden Centres, is expected to add further momentum.

Commenting on the acquisition, Christopher Winn, Executive Chairman of Sanderson, said:

"We are delighted to welcome Richard Goodall and his team into the Sanderson Group.

This is the latest in a series of investments in our multi-channel retail division which will now account for approximately 80 per cent of the Group's revenues. We have made good progress in this active sector and the acquisition of RBS will expand our product portfolio, increase our customer base and provide trading synergies within the Group. We are confident that RBS will make a significant contribution to Sanderson in the future, providing new revenue streams and greater market opportunities.

The Group is currently trading well in the second half of the year to 30 September 2007 and expects the results for the year to be in line with market expectations".

Enquiries:

Sanderson – Christopher Winn, Chairman	02476 555466
Sanderson – Adrian Frost, Finance Director	02476 555466
Sanderson – David O'Byrne, Managing Director	01709 787787
Arden Partners – Graeme Cull	0121 423 8960
Winningtons Financial – Paul Vann	07768 807631

*The statement regarding earnings enhancement should not be interpreted to mean that earnings per share will necessarily be greater than those for the relevant preceding financial period.

Note to Editors:

Sanderson Group plc floated on AIM in December 2004 at an issue price of 50p. The Group was established in 1983 and owns substantial software IPR which it develops and supplies as market-specific solutions to the multi-channel retail and commercial markets. The Group has a substantial recurring revenue stream from pre-contracted licence, support and maintenance agreements which facilitates its progressive dividend policy.

Since flotation the Group has made four acquisitions, including RBS:

* July 2005 – Progressive Computer Systems Limited, a provider of browser-based software solutions to retail and commercial organisations in the UK.

* February 2006 – Megabyte Limited, now Sanderson Retail Systems Limited, an established owner/supplier of software for front and back office electronic point of sale systems and IT services to the retail market.

* February 2007 – the trade and IPR of Elucid, a business within the K3 Group plc, which owns, develops and markets software for use in the mail order and e-commerce sectors of the multi-channel retail market.

Not for release, distribution or publication into the United States, Canada, Australia, Japan and the Republic of Ireland.

Regulatory Announcement

Company	Sanderson Group PLC
TIDM	SND
Headline	AIM Rule 26
Released	17:14 15-Aug-07

RNS Number:1938C
Sanderson Group PLC
15 August 2007

The Board of Sanderson Group PLC (the "Company") announces that, in compliance
with the requirements of Rule 26 of the AIM Rules, information on the Company is
now available on its website at www.sanderson.com

Enquiries:

Adrian Frost
Finance Director and Company Secretary
Sanderson Group PLC
Tel: 02476 555466

Colin Smith
Arden Partners plc
Tel: 0121 423 8940

END

Regulatory Announcement

Go to market news section

Company	Sanderson Group PLC
TIDM	SND
Headline	Interim Results
Released	07:01 24-May-07
Number	1466X

RNS Number:1466X
Sanderson Group PLC
24 May 2007

For Immediate release 24 May 2007

Sanderson Group plc
Interim Results for the period ended 31st March 2007

Sanderson Group plc ("Sanderson"), the software and IT services business specialising in commercial markets in the UK and Ireland, announces Interim Results for the six months ended 31 March 2007. Sanderson provides software and IT services to businesses with annual revenues between £5 million and £250 million.

Highlights

- Revenue from continuing operations of £8.12m up 11% (2006: £7.30m)
- Recurring revenues increased to 56% of total revenue
- Improved conversion of operating profit to cash at 100%
- Strong Balance Sheet with net debt less than 18% of net assets
- Increased interim dividend of 1.15p per ordinary 10p share (2006:1.10p)
- Elucid business acquired from K3 for £1.40m in February; now forms important part of multi-channel sales business
- Multi-channel sales business continuing to grow; now accounts for 60% of Group revenue

Commenting on the results, Chairman Christopher Winn said:

"Sanderson has re-positioned itself to enjoy greater repeat revenues and a lesser reliance on the Manufacturing sector. A stable client base and products that cater specifically to today's multi-channel markets give us a very good base to continue to grow organically and by acquisition."

On prospects Mr Winn added:

"Notwithstanding the continued challenges of business in the manufacturing sector, the multi-channel markets are proving to be very active and rewarding for the Group and overall we anticipate an improved business performance in the second half."

Enquiries:

Christopher Winn, Executive Chairman	Tel: 02476 555466
David O'Byrne, Managing Director	Tel: 01709 787787
Adrian Frost, Finance Director	Tel: 01709 787787
Paul Vann, Winningtons Financial	Tel: 0117 920 0092 or 07768 807631

Chairman's statement

Introduction

The trading results for the six month period to 31 March 2007 show revenue from continuing operations of £8.12m (2006: £7.30m). Operating profit from continuing operations before amortisation of acquisition related intangibles and charges in respect of share based payments, amounted to £1.41m (2006: £1.46m). Statutory profit after tax from continuing operations was £0.54m (2006: £0.69m).

This is the first interim report produced by the Group following the adoption of International Financial Reporting Standards (IFRS) in the Annual Report for the year ended 30 September 2006. As a result, comparative figures included in respect of the period ended 31 March 2006 have been restated. A reconciliation between the comparative figures included and those previously reported is set out in the notes to this report.

Trading result - continuing operations

	Unaudited Six months to 31/03/07 £'000	Unaudited Six months to 31/03/06 Restated £'000
Revenue	8,125	7,296
Cost of sales	(1,459)	(1,196)
Gross profit	6,666	6,100
Other operating expenses	(5,252)	(4,643)
Adjusted operating profit*	1,414	1,457
Amortisation of acquisition related intangibles	(314)	(80)
Share-based payment charges	(318)	(316)

Other operating income	-	128
Results from continuing operating activities	782	1,189
Net finance costs	(128)	(97)
Profit before tax	654	1,092
Tax	(114)	(400)
Profit for the period from continuing operations	540	692

* before amortisation of acquisition-related intangibles, share based payment charges and non-recurring operating income.

Business review

The Group develops and supplies market-specific software and services to the multi-channel and manufacturing markets in the UK. In the half year to the end of March 2007, the Group's multi-channel business performed well, whilst the manufacturing business has continued to experience difficult trading conditions.

The Group has established a large client base over many years and has adopted a revenue model based upon retaining and developing clients by continuously offering new products and associated technology with professional services. For the half year ended 31 March 2007, recurring revenue continued to grow and represented 56% of total revenue compared with 55% in the full year ending 30 September 2006. Nine new clients were gained in the half year compared with eleven in the comparative period. Revenue from new clients represented 11% (2006: 5%) of total revenue in the period.

The Group's software products are designed to meet all the operational needs of a broad range of businesses and cover functions such as sales and marketing, finance, human resources, purchasing, production, supply and distribution whilst also addressing specific requirements such as ingredient handling and call centre operations. Sanderson owns and develops the IPR to its software products and licences their use to customers.

Review of manufacturing

The manufacturing sector accounts for 40% of Group revenue, compared with 60% two years ago. The Group's manufacturing business covers the provision of IT solutions to areas of manufacturing including engineering, plastics, electronics, furniture, automobile parts and printing. Market conditions continue to be challenging with discretionary spend lower than in previous years. Despite this trend, the Group has won a number of contracts from existing clients, including a £400,000 order from Magnadata Limited to upgrade their existing IT system. The second half of the financial year has seen the Group gain a new client, Anstey Wallcoverings and we anticipate an improved performance from the manufacturing business during the remainder of the year.

Review of multi-channel sales

Multi-channel sales, which accounts for 60% of Group revenue, addresses the needs of companies who sell goods via retail outlets, online sales, call centre, mail order and distributors. Increasing competition and the rapid growth in online sales have encouraged companies to seek efficiency gains through investment in IT, representing a significant opportunity for the Group. Several new customers were gained during the half year including the Royal Botanical Gardens Kew. The Group continues to develop a number of sales opportunities in what is an active market sector and a good performance in the second half year is anticipated.

Acquisition

In February 2007, the Group acquired the business and assets of Elucid from K3 Business Technology Group plc for a consideration of £1.40m. Elucid has a strong product offering aimed at the mid-tier mail order and e-commerce market and has over 50 existing customers. Elucid now forms an important part of the Sanderson multi-channel sales business and strengthens our activities in these markets. Elucid made a small contribution to both revenue and operating profit in the period post acquisition.

Following the acquisition, the Group carried out a strategic review of its products aimed at the mid-tier mail order and e-commerce market and decided to rationalise development costs and discontinue further development of an existing product. This discontinued operation incurred a loss of £385,000 after tax in the half year to 31 March 2007 including full provision for closure costs. In the comparative period to 31 March 2006, the discontinued operation incurred a loss of £94,000 after tax.

Strategy

Our strategy is to develop the Group by a combination of organic growth complemented by selective acquisitions. Our primary aim is to continue to deliver shareholder value through a progressive dividend policy which is made possible by a business model that delivers high levels of profit and cash. We continue to develop a number of acquisition opportunities.

Balance sheet

In the period, the Group generated cash in excess of 100% of adjusted operating profit from continuing and discontinued operations. This represents a significant improvement compared with the first half, last year. Net debt as at 31 March 2007 was £3.61m (2006: £3.26m). The Group has the debt capacity to pursue additional strategic acquisitions.

The Group balance sheet remains strong, with net debt representing less than 18% of the Group's net assets.

Pensions

Subsequent to the period end, the Group has finalised negotiations both with the trustee of the two defined benefit pension schemes (of which a subsidiary company is principal employer), as well as with former Group companies Civica plc and Talgentra Holdings Limited. As a result, the Group has been released from all contingent liabilities in respect of one scheme, and has agreed to the other scheme being sectionalised, such that each employer becomes responsible for a defined proportion of the scheme assets and liabilities. We believe that this course of action leaves the Group better placed to address the ongoing funding of the scheme, and provides certainty to the Group's obligations.

Dividend

In accordance with the Group's progressive dividend policy, we are pleased to announce an increased interim dividend of 1.15 pence per ordinary share (2006: 1.1 pence per share), which will be paid on 27 July 2007 to shareholders on the register at the close of business on 29 June 2007.

Auditors

As part of a review, the Group invited a number of accountancy firms to present to the board, and after careful consideration RSM Robson Rhodes LLP have been appointed as auditors. We would like to record our thanks and appreciation for the audit and tax team at our previous auditors, KPMG, for their work over the previous seven years.

Staff

We would like to thank our colleagues for their commitment, expertise and continued dedication in working with our customers and partners to successfully develop the Sanderson Group.

Outlook

Notwithstanding the continued challenges of business in the manufacturing sector, the multi-channel markets are proving to be very active and rewarding for the Group and overall we anticipate an improved business performance in the second half.

Christopher Winn

Chairman

24 May 2007

CONSOLIDATED INCOME STATEMENT

	Notes	Unaudited Six months to 31/03/07 £'000	Unaudited Six months to 31/03/06 Restated £'000	Audited Year to 30/09/06 £'000
Continuing Operations				
Revenue		8,125	7,296	15,896
Cost of sales		(1,459)	(1,196)	(2,591)
Gross profit		6,666	6,100	13,305
Other operating expenses		(5,884)	(4,911)	(10,869)

Results from operating activities		782	1,189	2,436
Results from operating activities before amortisation, share based payment charges and non-recurring items		1,414	1,457	3,278
Amortisation of acquisition related intangibles		(314)	(80)	(319)
Share-based payment charges		(318)	(316)	(642)
Other operating income		-	128	119
Results from operating activities		782	1,189	2,436
Net finance costs		(128)	(96)	(275)
Profit before tax		654	1,093	2,161
Tax	3	(114)	(400)	17
Profit for the period from continuing operations		540	693	2,178
Discontinued Operations				
Loss for the period from discontinued operations	2	(385)	(94)	(183)
Profit for the period		155	599	1,995
Earnings per share				
From continuing operations				
Basic	5	1.29p	1.69p	5.26p
Diluted	5	1.21p	1.57p	4.91p
From continuing and discontinued operations				
Basic	5	0.37p	1.46p	4.81p
Diluted	5	0.35p	1.36p	4.50p

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

Actuarial gains on defined benefit pension schemes	-	-	630
Tax on items taken directly to equity	-	-	(190)
Profit for the period	155	599	1,995
Total recognised income and expense for the period	155	599	2,435

CONSOLIDATED BALANCE SHEET

	Unaudited As at to 31/03/07	Unaudited As at to 31/03/06	Audited As at 30/09/06

	Notes	£'000	Restated £'000	£'000
Non-current assets				
Goodwill		25,256	24,624	24,624
Other intangible assets		3,093	2,356	2,427
Property, plant & equipment		528	637	585
Deferred tax asset		384	493	488
		29,261	28,110	28,124
Current assets				
Inventories		209	409	258
Trade and other receivables		4,941	6,332	4,127
Income tax receivable		234	-	211
Cash and cash equivalents		235	413	463
		5,619	7,154	5,059
Total assets		34,880	35,264	33,183
Current liabilities				
Bank overdraft and loans		(528)	(979)	(528)
Trade and other payables		(3,241)	(3,869)	(2,351)
Deferred contingent consideration		(725)	-	-
Current tax liabilities		-	(397)	-
Deferred income		(4,228)	(4,713)	(4,278)
		(8,722)	(9,958)	(7,157)
Net current liabilities		(3,103)	(2,804)	(2,098)
Non-current liabilities				
Retirement benefit obligation		(1,825)	(2,463)	(1,849)
Deferred contingent consideration		-	(453)	(464)
Deferred income		(490)	(684)	(587)
Loans and borrowings		(3,319)	(2,690)	(2,420)
		(5,634)	(6,290)	(5,320)
Total liabilities		(14,356)	(16,248)	(12,477)
Net assets		20,524	19,016	20,706
Equity				
Called-up share capital		4,181	4,181	4,181
Share premium		14,578	14,578	14,578
Shares to be issued		495	495	495
Retained earnings	8	1,270	(238)	1,452
Total equity		20,524	19,016	20,706

CONSOLIDATED CASH FLOW STATEMENT

	Notes	Unaudited Six months to 31/03/07 £'000	Unaudited Six months to 31/03/06 Restated £'000	Audited Year to 30/09/06 £'000

Net cash from operating activities	9	760	536	1,790
Investing activities				
Purchases of property, plant & equipment		(30)	(62)	(120)
Expenditure on product development		(67)	(111)	(271)
Purchase of shares in subsidiary undertaking		-	(1,480)	(1,480)
Purchase of trade and assets		(1,162)	-	-
Purchase of intellectual property		-	(200)	(200)
Disposal proceeds of property, plant & equipment		-	539	530
Net cash used in investing activities		(1,259)	(1,314)	(1,541)
Financing activities	6			
Equity dividends paid		(625)	(575)	(1,024)
Proceeds from bank borrowing		1,162	1,375	1,375
Repayment of bank borrowing		(250)	(125)	(625)
Repayment of finance lease principal		(16)	(8)	(36)
Net cash received from / (used in) financing activities		271	667	(310)
Decrease in cash and cash equivalents		(228)	(111)	(61)
Cash and cash equivalents at start of the period		463	524	524
Cash and cash equivalents at end of the period		235	413	463

Notes to the consolidated financial statements

1. Significant accounting polices

a) Basis of preparation

The Group adopted International Financial Reporting Standards (IFRS) during the second half of the 2006 financial year, and reported the results for the year ended 30 September 2006 under IFRS. The accounting policies applied in the preparation of this financial information are consistent with those adopted in the statutory accounts for the year ended 30 September 2006. Certain significant accounting policies are clarified below, and the full accounting policies of the Group are set out in the last Annual Report.

The comparative data for the six months to 31 March 2006 has been restated and reconciliations are included in the notes to explain the changes from UK GAAP.

The financial information set out within this statement does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985.

The statutory accounts for the year ended 30 September 2006, which have been delivered to the Registrar of Companies, carry an unqualified report by the auditors and do not contain a statement under Section 237 (2) or section 237 (3) of the Companies Act 1985.

Copies of this Statement are being sent to Shareholders. Further copies are available from the Company Secretary.

b) Basis of consolidation

The financial statements of the Group consolidate the financial statements of Sanderson Group plc and all its subsidiaries. Subsidiaries are entities controlled by the Company. The results of subsidiaries and businesses are included in the consolidated financial statements from the date on which control commences and until that date on which control ceases.

In respect of acquisitions since 1 October 2004, goodwill arising on consolidation represents the excess of cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the acquired entity at the date of acquisition. For acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP. Goodwill is recognised as an asset and assessed for impairment at least annually. Impairment is assessed by comparing the goodwill with the discounted cashflows projected for the acquired entity, using a discount rate that management estimate to be the risk adjusted average cost of capital for that entity.

c) Research and development

Research expenditure is written off as incurred. Development expenditure is written off as incurred unless the development is for a new or substantially improved product which is both technically and commercially viable. Development costs satisfying these criteria are capitalised and amortised over their useful economic life or three years, whichever is the shorter.

d) Property, plant and equipment

Property, plant and equipment are shown at historical cost, less any provision for impairment in value.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life, except freehold land which is not depreciated, as follows:

Freehold buildings - 2%

Leasehold buildings - over the life of the lease

Plant, machinery, fixtures and fittings - 15% - 33.3%

Notes to the consolidated financial statements

1. Significant accounting polices (continued)

e) Impairment of non-current assets

All non-current assets are assessed annually for indications of impairment. Where impairment is likely, the fair value is measured and any impairment loss is charged to the income statement.

f) Inventories

Inventories are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

* Goods for resale - purchase cost on a 'first in / first out' basis;

* Work in progress - cost of direct materials and labour and a proportion of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

g) Taxation

The tax charge for the period includes the charge for tax currently payable and deferred taxation. The current tax charge represents the estimated amount due that arises from the operations of the Group in the financial period and after making adjustments in respect of prior years.

Deferred tax is recognised in respect of all differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, except where the temporary difference arises from goodwill or from the initial recognition of assets or liabilities that effect neither accounting nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

h) Revenue

Revenue comprises the value of sales of licences, support & maintenance contracts and training, consulting and implementation services and hardware. Revenue excludes both value added tax and transactions between Group companies.

Revenues are recognised on the basis of the performance of contractual obligations and to the extent that the right to consideration has been earned. In cases where a single contractual arrangement involves the sale of licences, support, maintenance, training and consultancy services, the consideration received is allocated to the components of the arrangement on a fair value basis.

Licence fees are recognised upon the provision of software to the customer, providing that the payment terms are unconditional, full payment is contractually binding, collection is reasonably certain and there are no contractual conditions or warranties. Revenue from the provision of professional services including support, maintenance, training and consultancy services is recognised when the services have been performed. Hardware sales are recognised on delivery. Maintenance and support revenues are recognised evenly over the period to which they relate.

Notes to the consolidated financial statements

1. Significant accounting polices (continued)

i) Employee benefits

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

The Group's net obligation in respect of its defined benefit pension plan is calculated by estimating the amount of future benefits payable to members, discounted to present value, and deducting the fair value of the plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Actuarial gains or losses are included in the consolidated Statement of Recognised Income and Expense. Current and past service costs, curtailments and settlements are recognised within operating profit. Returns on scheme assets and interest on obligations are recognised as a component of financing costs.

Share based incentive arrangements are provided to employees under the Group's share option schemes. Share based arrangements put in place since 7 November 2002 are valued at the date of grant and charged to operating profit over the vesting period of the scheme. Options are valued using an appropriate pricing model. The annual charge is modified to take account of shares forfeited by employees who leave during the vesting period.

j) Leased assets

Leasing agreements that transfer substantially all the risks and rewards of ownership to the Group are classified as Finance Leases. Assets financed by a Finance Lease are accounted for as if they had been purchased outright, with the corresponding liability to the leasing company included as an obligation. The rentals payable are apportioned between interest, which is charged to the income statement, and capital, which reduces the outstanding obligation. All other leases are classified as Operating Leases and lease rentals are charged to the income statement on a straight-line basis over the term of the lease.

k) Financial instruments and hedging

Trade receivables and trade payables do not carry any interest and are stated at nominal value. Bank overdraft and loans are interest bearing and interest is accounted for on an accruals basis. The Group does not use derivative financial instruments to hedge its exposure to interest rate or currency risk.

Notes to the consolidated financial statements

2. Discontinued operation

Following a strategic review, the Group has decided to focus its development activity and product marketing at the mid-tier mail order market around the recently acquired Elucid product. This has necessitated the discontinuance of the activities previously undertaken by the Group in this area prior to the acquisition of Elucid.

The results of this business activity, classified in the consolidated income statement as discontinued operations, were as follows:

	Six months to 31/03/07 £'000	Six months to 31/03/06 £'000	Year to 30/09/06 £'000
Revenue	69	139	253
Expenses	(619)	(273)	(515)
Loss before tax	(550)	(134)	(262)
Tax	165	40	79
Loss for the period	(385)	(94)	(183)

The business that has been discontinued was run as part of a larger business unit within a Group subsidiary. As a result, it is not practical to separately report the cash flows associated with the discontinued activity, but they are not anticipated as being materially different from the trading results shown above, with the exception of certain provisions made for the discontinuance. The cash effect of these provisions will be reported in the second half of the current financial year.

3. Taxation

Recognised in the income statement in respect of continuing operations:	Six months to 31/03/07 £'000	Six months to 31/03/06 Restated £'000	Year to 30/09/06 £'000
Current tax expense			
UK corporation tax for the current period	290	400	679
Relating to prior periods	-	-	(515)

Total current tax	290	400	164
Deferred tax			
Deferred tax for the current period	(176)	-	(154)
Relating to prior periods	-	-	(27)
Total deferred tax	(176)	-	(181)
Taxation charge / (credit) in respect of continuing operations	114	400	(17)
Recognised in the income statement in respect of discontinued operations:			
UK corporation tax for the current period	(150)	(40)	(79)
Deferred tax for the current period	(15)	-	-
Total taxation (credited) / charged to the income statement	(51)	360	(96)

Notes to the consolidated financial statements

3. Taxation (continued)

Reconciliation of the effective tax rate:

The current consolidated tax charge on continuing operations for the period differs from the standard rate of corporation tax in the UK of 30%. The differences are explained below.

	Six months to 31/03/07 £'000	Six months to 31/03/06 Restated £'000	Year to 30/09/06 £'000
Profit before tax - continuing operations	654	1,093	2,161
Tax using the UK corporation tax rate of 30%	196	328	648

Effects of:

Expenses not deductible for tax purposes	49	25	47
Tax payable at less than 30%	-	-	(6)
Losses not utilised in the period arising	(101)	-	101
Overprovision in prior periods	-	-	(542)
Expenses not reported in the income statement	-	-	(170)
Change in temporary differences	(30)	47	(95)
	========	========	========
Total tax in the income statement in respect of continuing operations	114	400	(17)
	========	========	========

4. Segmental reporting

Whilst it is possible for the Group to analyse revenue by reference to the markets in which customers operate, the businesses within the Group are not managed in this way, such that cost information and assets and liabilities cannot be reported by markets. Consequently, the operations of the Group are regarded as a single business segment. Substantially all of the Group's revenue originates from the UK. Revenue by destination is not materially different from revenue by origin.

5. Earnings per share

	Six months to 31/03/07	Six months to 31/03/06 Restated	Year to 30/09/06
Earnings	£'000	£'000	£'000
Continuing	540	693	2,178
Continuing and discontinued	155	599	1,995
Average number of shares during period	No. '000	No. '000	No. '000
In issue at the start of the period	41,813	40,814	40,814
Effect of shares issued in the period	-	204	604
	--------	--------	--------
Weighted average number of shares at period end	41,813	41,018	41,418
Effect of share options	1,939	2,070	1,939

Effect of deferred consideration	1,000	1,000	1,000
Weighted average number of shares (diluted) at period end	44,752	44,088	44,357

Earnings per share	pence	pence	pence
Continuing - basic	1.29	1.69	5.26
- diluted	1.21	1.57	4.91
Continuing and discontinued - basic	0.37	1.46	4.81
- diluted	0.35	1.36	4.50

Notes to the consolidated financial statements

6. Equity dividends

	Six months to 31/03/07 £'000	Six months to 31/03/06 Restated £'000	Year to 30/09/06 £'000
Interim dividend	-	-	449
Final dividend	625	575	575
Total dividend paid in period	625	575	1,024

An interim dividend of 1.15 pence (2006: 1.10 pence) per ordinary 10 pence share will be paid on 27 July 2007.

7. Acquisition

On 1 February 2007 the Group acquired the trade and certain assets of Elucid for consideration of £1,400,000, which comprised cash payable on completion of £1,100,000, deferred cash consideration of £250,000 and costs of acquisition amounting to £50,000. Provisional goodwill and other intangible assets arising as a result of the acquisition amount to £1,150,000.

8. Reserves

	As at 31/03/07	As at 31/03/06 Restated	As at 30/09/06
Retained earnings			

	£'000	£'000	£'000
Balance at beginning of the period	1,452	(555)	(555)
Actuarial gains on employee benefits	-	-	630
Deferred taxation	-	-	(190)
Dividends paid (note 6)	(625)	(575)	(1,024)
Credit to equity for share-based payments	288	293	596
Result for the period	155	599	1,995
Balance at end of the period	1,270	(238)	1,452

Notes to the consolidated financial statements

9. Net cash from operating activities

	Six months to 31/03/07 £'000	Six months to 31/03/06 Restated £'000	Year 30/09/06 £'000
Profit for the period from continuing operations	540	693	2,178
Loss for the period from discontinued operations	(385)	(94)	(183)
Adjustments for:			
Depreciation and amortisation	472	159	479
Share based payment charges	318	316	642
Net finance expense	128	97	275
Income tax (credit)/expense	(51)	360	(96)
Profit on disposal of property, plant & equipment	-	(128)	(119)
Operating cash flow before working capital movements	1,022	1,403	3,176
Decrease / (Increase) in working capital	30	(308)	(489)
Cash generated by operations	1,052	1,095	2,687

Additional pension payment	(41)	(40)	(80)
Interest paid	(88)	(109)	(178)
Income taxes paid	(163)	(410)	(639)
	---------	---------	---------
Net cash from operating activities	760	536	1,790
	=========	=========	=========

10. Reconciliation of movement in net debt

	At start of period £'000	Cash flow £'000	Non-cash movements £'000	At end of period £'000
Cash	463	(228)	-	235
Bank loan:				
Within one year	(500)	-	-	(500)
After one year	(2,390)	(912)	(3)	(3,305)
Obligations under finance leases	(58)	16	-	(42)
	--------	---------	---------	---------
Net debt	(2,485)	(1,127)	(3)	(3,612)
	========	=========	=========	=========

Notes to the consolidated financial statements

11. Explanation of transition to IFRS

In restating the comparative information in respect of the income statement for the six months ended 31 March 2006, and the balance sheet on that date, to comply with the accounting policies adopted in the last Annual Report certain changes have been made and are described below.

IFRS 2 'Share based payments' requires the fair value of providing employee share ownership plans to be charged to the income statement over the estimated life of the share ownership plans. Under UK GAAP such charges were restricted to one specific share ownership plan, namely the long term incentive plan (LTIP).

IFRS 3 'Business combinations' requires goodwill to be capitalised and subjected to an annual impairment test rather than amortised over its estimated useful life as required by UK GAAP. The standard also requires separable, identifiable, intangible assets arising on acquisition to be capitalised at fair value and amortised over their estimated useful economic lives. In addition, deferred contingent consideration in respect of previous acquisitions has been reassessed.

IAS 10 'Events after the balance sheet date' requires dividends to be recorded in the period in which they are approved or paid. Under UK GAAP dividends were adjusted for as a post balance sheet event.

IAS 12 'Income taxes' requires that deferred taxation be provided in respect of the share based payment charges and acquisition related intangible assets.

IAS 19 'Employee benefits' requires recognition of pension scheme deficits on the balance sheet and service costs, interest costs and expected returns on scheme assets to be charged to the income statement. Under FRS 17, defined benefit scheme liabilities were presented net of deferred tax on the balance sheet. In accordance with IAS 19 the pension liability has been presented gross. Provision has also been made for holidays earned but not yet taken.

IFRS 5 'Discontinuing operations' requires the attributable revenues and costs associated with the operation to be shown as a single line on the face of the income statement, net of any related tax charge or credit. The decision to discontinue the operation in question was taken during the current period, and comparative figures have been restated accordingly.

IAS 38 'Intangible assets' requires that development expenditure meeting certain criteria be capitalised and amortised over its useful economic life. Under UK GAAP all such development expenditure was expensed as incurred.

Notes to the consolidated financial statements

11. Explanation of transition to IFRS (continued)

Reconciliation of UK GAAP profit to IFRS profit: Six months to March 2006

	UK GAAP	IFRS 2	IFRS 3	IFRS 5	IAS 38	Restate
	£'000	£'000	£'000	£'000	£'000	£
Continuing Operations						
Revenue	7,435	-	-	(139)	-	7
Cost of sales	(1,204)	-	-	8	-	(1
Gross profit	6,231	-	-	(131)	-	6
Other operating expenses	(5,980)	(112)	698	265	90	(5

Profit on disposal of assets	128	-	-	-	-	
Finance costs	(96)	-	-	-	-	
Profit before tax	283	(112)	698	134	90	1
Tax	(360)	-	-	(40)	-	
(Loss)/Profit for the period from continuing operations	(77)	(112)	698	94	90	
Discontinued Operations						
Loss for the period from discontinued operations	-	-	-	(94)	-	
Loss for the period from discontinued operations	-	-	-	(94)	-	

Notes to the consolidated financial statements

11. Explanation of transition to IFRS (continued)

Reconciliation of equity: At 31 March 2006

	UK GAAP	IFRS 3	IAS 12	IAS 19	IAS 38	Restated IFRS
	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets						
Intangible assets	24,933	1,099	647	-	301	26,980
Property, plant & equipment	637	-	-	-	-	637
Deferred tax asset	400	-	(647)	740	-	493
Current assets						
Inventories	409	-	-	-	-	409
Trade and other receivables	6,332	-	-	-	-	6,332
Cash and cash equivalents	413	-	-	-	-	413
Total assets	33,124	1,099	-	740	301	35,264

Current liabilities						
Trade and other payables	(8,376)	-	-	(206)	-	(8,582)
Current tax liabilities	(397)	-	-	-	-	(397)
Bank overdraft and loans	(979)	-	-	-	-	(979)
Non-current liabilities						
Deferred income	(684)	-	-	-	-	(684)
Retirement benefit obligation	(1,723)	-	-	(740)	-	(2,463)
Deferred contingent consideration	(1,203)	750	-	-	-	(453)
Bank loans & borrowings	(2,690)	-	-	-	-	(2,690)
Total liabilities	(16,052)	750	-	(946)	-	(16,248)
Net assets	17,072	1,849	-	(206)	301	19,016
Equity						
Called-up share capital	4,181	-	-	-	-	4,181
Share premium	14,578	-	-	-	-	14,578
Capital redemption reserve	495	-	-	-	-	495
Profit and loss account	(2,182)	1,849	-	(206)	301	(238)
Total equity	17,072	1,849	-	(206)	301	19,016

INDEPENDENT REVIEW REPORT TO SANDERSON GROUP PLC

Introduction

We have been instructed by the company to review the financial information set out on pages 1 to 18. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information. This report is made solely to the company having regard to guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the AIM Rules. The directors are also responsible for ensuring that the accounting policies and presentation applied to the interim figures are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable to such accounts.

Review work performed

We conducted our review having regard to guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 March 2007.

RSM Robson Rhodes LLP
Chartered Accountants

Birmingham, England
24 May 2007

END

Regulatory Announcement

Go to market news section

Company	Sanderson Group PLC
TIDM	SND
Headline	Acquisition
Released	07:01 12-Feb-07
Number	0742R

RNS Number:0742R
Sanderson Group PLC
12 February 2007

For Immediate Release 12 February 2007

Sanderson Group plc
Acquisition

Sanderson Group plc ("Sanderson" or the "Group"), the provider of software and IT services to UK commercial markets has agreed to purchase the trade and IPR of the Elucid business unit from K3 Business Technology Group plc, for consideration of £1.362m in cash of which £250,000 will be deferred until 30 April 2007.

The Elucid business unit develops and markets software for use in multi-channel markets, and in the year to 31 December 2006 generated an unaudited adjusted operating profit of around £200,000 on unaudited turnover of approximately £2m. At 31 December 2006, the Elucid business had no material assets.

The business is expected to be earnings neutral in the current financial year, and earnings enhancing in the first full year of ownership.

Christopher Winn, Chairman of Sanderson Group plc commented:

"This acquisition complements our existing multi-channel businesses and will form an integral part of our ongoing development in this market area".

-ends-

Enquiries:

Christopher Winn, Executive Chairman
Sanderson Group plc Tel: 02476 555466

Paul Vann
Winningtons Financial Tel: 0117 9200092 or 07768 807631

END

Close

Regulatory Announcement

Go to market news section

Company	Sanderson Group PLC
TIDM	SND
Headline	Total Voting Rights
Released	11:45 11-Dec-06
Number	6193N

RNS Number:6193N
Sanderson Group PLC
11 December 2006

Total voting rights

In accordance with the transitional provisions of the Disclosure and Transparency Rules, Sanderson Group plc ("Sanderson") confirms that its issued share capital comprises 41,813,482 ordinary shares of 10p each.

All of the ordinary shares have equal voting rights, and none of the ordinary shares is held in treasury. The total number of voting rights in Sanderson is therefore 41,813,482.

This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of Sanderson under the Disclosure and Transparency Rules.

Enquiries:

Adrian Frost
Group Finance Director
Tel: 0207 555466

This information is provided by RNS
The company news service from the London Stock Exchange

END

Close

Regulatory Announcement

Go to market news section

Company	Sanderson Group PLC
TIDM	SND
Headline	Holding(s) in Company
Released	14:13 06-Dec-06
Number	3718N

RNS Number:3718N
Sanderson Group PLC
06 December 2006

Holding in Company

Sanderson Group plc (the "Company") announces that it has today received notification from Chelverton Asset Management ("Chelverton") that following a recent purchase, Chelverton now has an interest in 2,240,000 ordinary shares, representing approximately 5.4% of the issued share capital of the Company.

Enquiries:
Adrian Frost
Group Finance Director
Tel: 02476 555466

This information is provided by RNS
The company news service from the London Stock Exchange

END

Close

Regulatory Announcement

Go to market news section

Company	Sanderson Group PLC
TIDM	SND
Headline	2006 Final Results
Released	07:01 06-Dec-06
Number	3265N

RNS Number:3265N
Sanderson Group PLC
06 December 2006

FOR IMMEDIATE RELEASE 6 DECEMBER 2006

SANDERSON GROUP PLC
Preliminary Results for the year ended 30 September 2006

Sanderson Group plc ('Sanderson' or 'the Group'), the software and IT services business specialising in commercial markets in the UK and Ireland, announces its Preliminary Results for the year ended 30 September 2006. Sanderson provides software and IT services to businesses with annual revenues between £5 million and £250 million.

Key Points

- Revenue of £16.15 million (2005: £15.46 million) up 4.5%
- Operating profit* of £3.13 million (2005: £2.91 million) up 7.6%
- Statutory operating profit of £2.17 million (2005: £1.27 million)
- Improvement in gross margin to 84% (2005: 80%)
- Recurring revenues 55% of total revenue (2005: 53%)
- Proposed final dividend of 1.5 pence per ordinary 10 pence share making a total for the year of 2.6 pence (2005: 2.5 pence) up 4.0%
- Sanderson Retail Systems acquisition integrated and performing profitably
- 25 new customers won during the year (2005: 17)

*Before amortisation of intangible assets, share based payment expense and 2005 non-recurring administrative expense.

Commenting on the results, Chairman, Christopher Winn, said:

"The results reflect 10% growth in gross margin, achieved on increased revenues. This improvement is due to an increase in the proportion of the Group's own software and services supplied and demonstrates the benefit of Intellectual Property Rights (IPR) ownership.

Our strategy is to develop the Group by a combination of organic growth complemented by selective acquisitions. Our primary aim is to continue to deliver shareholder value through a progressive dividend policy which is made possible by a business model that delivers high levels of profit and cash. We continue to work on bringing a number of acquisition opportunities to fruition in the coming year

We are encouraged by the substantially increased level of sales prospects across the Group and notwithstanding challenges in some of our markets there are clear opportunities, especially within the Multi-Channel Sales sector, and we intend to accelerate the rate of progress over the coming year".

Enquiries:

Sanderson Group plc	
Christopher Winn, Executive Chairman	Tel: 02476 555466
David O'Byrne, Managing Director	Tel: 01709 787787
Adrian Frost, Finance Director	Tel: 01709 787787
Winningtons Financial	
Paul Vann	Tel: 020 7256 9445
	Mob: 07768 807631

SANDERSON GROUP PLC

Preliminary Results for the year ended 30 September 2006

CHAIRMAN'S STATEMENT

Introduction

The Group has adopted International Financial Reporting Standards (IFRS) for the first time, and comparative results have been restated accordingly. The trading results for the year to 30 September 2006 show turnover of £16.15 million (2005: £15.46 million) and statutory operating profit of £2.17 million (2005: £1.27 million). Operating profit before amortisation, non-recurring items and share based payment expense amounted to £3.13 million (2005: £2.91 million).

Trading Results

	2006 £000	2005 £000
Revenue	16,149	15,460
Cost of sales	(2,607)	(3,123)
Gross profit	13,542	12,337
Administrative expenses*	(10,407)	(9,429)
	3,135	2,908
Operating profit*		
Amortisation of acquisition related intangibles	(319)	(104)
Share based payment expense	(642)	(458)
Non-recurring administrative expenses	-	(1,076)
Profit before interest and tax	2,174	1,270
Net interest expense	(275)	(708)
Profit before income tax	1,899	562
Income tax credit/(expense)	96	(67)
Profit for the year	1,995	495

*Before amortisation of intangible assets, share based payment expense and 2005 non-recurring administrative expense.

The results reflect 10% growth in gross margin, achieved on an increase in revenues of 4%. This is due to an increase in the proportion of the Group's own software and services supplied and demonstrates the benefit of IPR ownership. We completed the acquisition of Sanderson Retail Systems Limited (SRS) in February 2006, and the business has made an encouraging contribution to Group profitability.

The effective rate of corporation tax in the year to September 2006 is less than 30% as a result of an overprovision for tax in prior years.

Balance Sheet

The profile of the balance sheet changed following the acquisition of SRS with debtors and deferred income increasing as a direct result. Since completing the acquisition, debtor levels have reduced but deferred income remains higher than at the previous year end due to the long-term nature of some of the SRS customer contracts.

Cash generation remains sound and cash generated from operations was 81% of operating profit before amortisation and share based payment expense. Net debt of £2.48 million has reduced from the post-acquisition peak of £3.26 million at the half-year. This low level of debt, combined with undrawn borrowing facilities, enables the Group to pursue further acquisitions.

Dividends

The Board is keen to ensure that shareholders benefit from the trading performance of the Group through a progressive dividend policy. Subject to approval at the Annual General Meeting of Shareholders, expected to be held on 6 February 2007, a final dividend of 1.5 pence per ordinary share is proposed and will be paid on 9 March 2007 to shareholders on the register at the close of business on 9 February 2007. Together with the interim dividend of 1.1 pence per ordinary share, this final dividend represents a total dividend for the year of 2.6 pence, an increase of 4%.

Business Review

The Group has established a large client base over many years and has adopted a revenue model based upon retaining and developing clients by continuously offering new products and associated technology, together with professional services. Historically, over 50% of annual revenue is derived from recurring licence, support and maintenance contracts, with approximately 40% of revenue being derived from additional products and services supplied to existing clients. New clients account for the remaining 10% of revenue.

For the year ended 30 September 2006, recurring revenue continued to grow and represented 55% of total revenue compared with 53% last year. 25 new clients were won in the year, compared with 17 in the previous year and these new clients accounted for 9% of revenue. The average order value from new clients was around £60,000 with the largest individual client contributing just under £200,000. The reduction in the level of discretionary spend from existing clients in the Manufacturing sector experienced in the previous financial year continued into the current year.

The Group's software products are designed to meet all the operational needs of a broad range of businesses and cover functions such as sales and marketing, finance, human resources, purchasing, production, supply and distribution whilst also addressing specific requirements such as ingredient handling and call centre operations. Sanderson owns and develops the IPR to its software products and licences their use to customers.

The Group also provides consultancy services to assist in the set-up, installation and implementation of software in addition to the provision of general IT advice. Customers also contract for ongoing technical support and maintenance services.

During the year, 72% of Group revenues were generated from the sale of software products, with the remaining 28% arising from the provision of associated consultancy services. This compares to 75% for software and 25% for consultancy during the previous year and resulted in an increase in gross margin from 80% to 84%.

The acquisition of SRS provided the opportunity to reposition the Group, which now addresses two principal market sectors.

Review of Manufacturing

The Manufacturing sector accounted for 46% of Group revenue, compared with 60% two years ago. Manufacturing covers the provision of IT solutions to the engineering, plastics, electronics, furniture, automobile parts and print markets, as well as specialist solutions for the food industry. Market conditions continue to be challenging in this sector with discretionary spend lower than in previous years. By focusing on the delivery of our own software and services together with strict overhead controls, we have maintained a good level of profitability. The food industry has proved to be an active sector and we have been successful in gaining five new customers in the year including Sodexho, Nutri-Care, Kingfisher (Brixham) Limited.

Review of Multi-Channel Sales

This sector accounted for 54% of Group revenue. Multi-Channel Sales addresses the needs of companies who sell goods via retail outlets, online sales, call centres, mail order and via distributors. Increasing competition and the rapid growth in online sales have encouraged companies to seek efficiency gains through investment in IT, representing a significant opportunity for the Group. New customers gained during the year included Homeserve, Echo, Hayloft Plants and Help the Aged. The Group is developing a large number of sales opportunities in what is proving to be an active market sector and this will be a major focus for the Group in the coming year.

Strategy

Our customers continue to focus on the benefits derived from their investment in IT solutions, with efficiency improvements and process re-engineering being key factors in their decision to commit to new projects. We believe that the quality of our products and our development strategy address these key requirements, though the increasing length of the decision-making cycle is now generally acknowledged to be a feature of the markets in which we operate. Our strategy is to develop the Group by a combination of organic growth complemented by selective acquisitions. Our primary aim is to continue to deliver shareholder value through a progressive dividend policy which is made possible by a business model that delivers high levels of profit and cash. We continue to develop a number of acquisition opportunities for the coming year.

Staff

We would like to thank our colleagues for their commitment, expertise, and continued dedication in working with our customers and partners.

Outlook

We are encouraged by the substantially increased level of sales prospects across the Group and notwithstanding challenges in some of our markets there are clear opportunities, especially within the Multi-Channel Sales sector, and we intend to accelerate the rate of progress over the coming year.

Christopher Winn
Chairman
6 December 2006

Consolidated income statement
for the year ended 30 September 2006

	Note	2006 £000	2005 £000
Revenue		16,149	15,460
Cost of sales		(2,607)	(3,123)
Gross Profit		13,542	12,337
Technical and development costs		(6,468)	(5,433)
Administrative expenses		(3,590)	(3,085)
Sales and marketing costs		(1,429)	(1,473)
Other operating income	3	119	-
Other operating expenses	4	-	(1,076)
Results from operating activities		2,174	1,270
Results from operating activities before amortisation, share based payment expense and non-recurring expenses		3,135	2,908
Amortisation of acquisition related intangibles		(319)	(104)
Share based payment expense	5	(642)	(458)
Non-recurring administrative expenses		-	(1,076)
Results from operating activities		2,174	1,270
Net finance expense	6	(275)	(708)
Profit before tax		1,899	562
Taxation	7	96	(67)
Profit for the year attributable to equity holders of the parent		1,995	495
Earnings per share			
Basic earnings per share		4.8p	1.2p
Diluted earnings per share		4.5p	1.1p

Consolidated balance sheet
at 30 September 2006

	2006	2005

	£000	£000
Non-current assets		
Intangible assets	27,051	23,670
Property, plant and equipment	585	914
Deferred tax assets	488	1,051
	28,124	25,635
Current assets		
Inventories	258	103
Trade and other receivables	4,127	3,788
Income tax receivable	211	-
Cash and cash equivalents	463	524
	5,059	4,415
Current liabilities		
Bank loans and borrowings	(528)	(760)
Trade and other payables	(2,351)	(3,216)
Income tax payable	-	(455)
Deferred income	(4,278)	(4,050)
	(7,157)	(8,481)
Net current liabilities	(2,098)	(4,066)
Total assets less current liabilities	26,026	21,569
Non-current liabilities		
Loans and borrowings	(2,420)	(1,380)
Employee benefits	(1,849)	(2,480)
Deferred consideration	(464)	-
Deferred income	(587)	-
	(5,320)	(3,860)
Net assets	20,706	17,709
Equity attributable to equity holders of the Company		
Share capital	4,181	4,081
Share premium	14,578	14,183
Shares to be issued	495	-
Retained earnings	1,452	(555)
Total equity	20,706	17,709

Consolidated cash flow statement
for the year ended 30 September 2006

	Note	2006 £000	2005 £000
Cash flows from operating activities			
Profit for the period		1,995	495
Adjustments for:			
Amortisation of intangible assets		319	104

Depreciation		160	143
Share based payment expense		642	458
Net finance expense		297	708
Income tax expense		(96)	67
Profit on disposal of property, plant and equipment		(119)	-
Operating cash flow before changes in working capital and provisions		3,198	1,975
Movement in trade and other receivables		934	626
Movement in inventories		(51)	-
Movement in trade and other payables		(1,394)	(484)
Payments to employee benefit plan		(80)	(74)
Cash generated from operations		2,607	2,043
Interest paid		(178)	(329)
Income tax paid		(639)	(92)
Net cash from operating activities		1,790	1,622
Cash flow from investing activities			
Interest received		-	28
Proceeds from sales of property, plant and equipment		530	-
Purchase of plant and equipment		(120)	(107)
Development expenditure capitalised		(271)	(136)
Purchase of intellectual property		(200)	-
Acquisition of subsidiary		(1,480)	(857)
Net cash flow from investing activity		(1,541)	(1,072)
Cash flow from financing activities			
Proceeds from issue of shares		-	5,795
Proceeds from bank borrowing		1,375	2,500
Repayment of bank borrowing		(625)	(5,660)
Repayment of external borrowing		-	(4,000)
Repayment of finance lease principal		(36)	-
Equity dividends paid		(1,024)	(445)
Net cash flow from financing activities		(310)	(1,810)
Net decrease in cash and cash equivalents		(61)	(1,260)
Cash and cash equivalents at beginning of year		524	1,784
Cash and cash equivalents at the end of the year	9, 10	463	524

Notes

1 Financial statements

The financial information set out herein does not constitute the Group's statutory accounts for the year ended 30 September 2006 but is derived from those financial statements. The statutory accounts will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the registrar of companies following the Annual General Meeting. The comparative information in respect of the period ended on 30 September 2005 has been derived from the audited statutory accounts for the year ended on that date, as restated for the first time adoption of International Financial Reporting Standards (IFRS) as referred to below, upon which an unqualified audit opinion was expressed and which did not contain a statement under section 237 (2) or (3) of the Companies Act 1985. The audited financial statements will be available by contacting the Company Secretary at the Company's Registered Office.

2 Basis of preparation

The financial information has been prepared and approved by the directors in accordance with IFRS as adopted by the European Union.

The first time adoption of IFRS has impacted on the year's results. The principal changes relate to:

- acquisition of subsidiaries (treatment of goodwill and intangible assets);
- employee benefits (pension scheme accounting);
- share based payments;
- recording of dividends in the period paid;
- treatment of software development in accordance with IAS 38 where certain strict criteria are met.

The net impact of the restatement of last year's figures was to increase profit for the period from a loss for the year of £549,000 to a profit for the year of £495,000. Net assets increased from £16.54 million to £17.71 million.

The rules for first time adoption of IFRS are set out in IFRS 1 "First time adoption of international financial reporting standards". In general, a company is required to determine its IFRS accounting policies and apply these retrospectively to determine its opening balance sheet under IFRS. The standard allows a number of exceptions to this general principle to assist companies as they change to reporting under IFRS. The Group has taken advantage of the following exemptions:

- Business combinations that took place prior to the date of transition have not been restated;
- At the date of transition, previous UK GAAP valuations have been used as deemed cost for properties;
- All cumulative actuarial gains and losses on defined benefit schemes have been recognised in equity at the date of transition.

3 Other operating income

Other income represents the net gain arising on the sale of property, plant and equipment (2005: no such income).

4 Other operating expenses

No such expenses were incurred in the current year. Other expenses arising in 2005 represent the expenses and associated reorganisation costs incurred in relation to the admission of Sanderson Group plc to AIM on 16 December 2004.

5 Share based payments

The Group operates a sharesave scheme, an Inland Revenue approved Executive Management Incentive plan (EMI), an unapproved share option plan and a Long Term Incentive Plan (LTIP). The share based payment expense represents the fair value of the cost for the year of these share based payment arrangements to the Group.

6 Net finance expense

	2006 £000	2005 £000
Loan note discount	-	329
Bank facility arrangement fees	-	175
Total non-recurring finance expenses	-	504
Bank interest payable	154	187
Bank interest receivable	-	(28)
Other interest	24	-
Net interest on defined benefit pension scheme obligations	75	45
Discount on deferred cash consideration	22	-
	275	708

Non-recurring finance expense relates to the capital and debt structure of the Company in place prior to the admission to AIM on 16 December 2004.

7 Taxation

Recognised in the income statement:	2006 £000	2005 £000
Current tax expense		
UK corporation tax for the current year	600	429
Relating to prior periods	(515)	38
Total current tax	85	467
Deferred tax		
UK deferred tax for the current year	(154)	5
Relating to prior periods	(27)	(405)
Total deferred tax	(181)	(400)
Taxation (credited)/charged to the income statement	(96)	67

8 Dividends

	2006 £000	2005 £000
Interim dividend of 1.1p per share, (2005: 1.1p)	452	445
Final dividend relating to previous financial year of 1.4p per share (2005: nil)	572	-
Total dividend for the financial year	1,024	445

9 Reconciliation of net cash to net funds

	2006 £000	2005 £000
Decrease in cash and cash equivalents	(61)	(1,260)
(Increase)/decrease in debt and finance leases	(714)	18,420
(Decrease)/increase in net funds from cash flows	(775)	17,160
Finance leases acquired with subsidiary	(94)	-
(Decrease)/increase in net funds	(869)	17,160
Net debt at beginning of year	(1,616)	(18,776)
Net debt at end of year	(2,485)	(1,616)

10 Analysis of net debt

	At start of period £000	Cash flow £000	Arising on acquisition of subsidiary £000
Cash	524	(61)	-
Bank loan:			
Within one year	(760)	260	-
After one year	(1,380)	(1,010)	-
Obligations under finance leases	-	36	(94)
Net debt	(1,616)	(775)	(94)

END

Regulatory Announcement

Go to market news section

Company	Sanderson Group PLC
TIDM	SND
Headline	Notice of Final Results
Released	07:01 29-Nov-06
Number	8840M

RNS Number:8840M
Sanderson Group PLC
29 November 2006

For Immediate Release 29 November 2006

Sanderson Group plc

Notice of Final Results

Sanderson Group plc, an established provider of software and IT services to UK commercial markets focusing on manufacturing and multi-channel distribution, will announce final results for the year ended 30 September 2006 on Wednesday 6 December 2006.

-ends-

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The company news service from the London Stock Exchange

END

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