



Belgravium  
Technologies plc

## Belgravium Technologies plc

### Preliminary results for the year ended 31 December 2014

The Board of Belgravium Technologies plc (AIM:BVM) 'Belgravium' or 'the Group'), suppliers of mobile data computing solutions and managed services to a variety of industrial sectors, is pleased to announce its final results for the year ended 31 December 2014.

#### Key Financials:

	31 December 2014	31 December 2013
• Revenues	£9,408,000	£8,425,000
• Profit after tax	£509,000	£219,000
• Basic Earnings per share	0.50p	0.22p
• Cash and cash equivalents	£731,000	£219,000
• EBITDA	£915,000	£451,000

Commenting today, John Kembery, Chairman of Belgravium, said:

“2014 was a much improved year with increased revenue and profits. The Group has made continued progress in extending its activities and offerings to cater for a wider and more discerning market. The Board believes that further progress will be achieved in the current year.”

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Information on Belgravium Technologies plc can be seen at: [www.belgravium-technologies.com](http://www.belgravium-technologies.com)

## **CHAIRMAN'S STATEMENT 2014**

### **RESULTS**

Sustained sales effort brought good results in the fourth quarter of 2014 enabling the Company to finish the year with revenues 12% higher than prior year with consequent and significant improvement in profits.

Revenues for the year were £9,408,000 compared to £8,425,000 in 2013 and were enhanced by the first full year contribution from Feedback Data. Profit after tax was £509,000 compared to £219,000 in the previous year. Exceptional costs of £27,000 were incurred relating to the acquisition of Access Fire & Security Limited ("AFS") which was completed on 31 December 2014.

As in the previous year, continued investment in research and development meant that there was a tax credit of £34,000 (£94,000 in 2013). The resulting profit for the year was £509,000, more than double the 2013 result.

EBITDA increased to £915,000 compared to £451,000 in 2013 and basic earnings per share were 0.50p per ordinary share compared to 0.22p in 2013.

Overall a much improved result.

### **BALANCE SHEET**

The Group's balance sheet remains strong and debt free. At the year end, cash and cash equivalents totalled £731,000 compared to £219,000 at the end of 2013. This is particularly pleasing since the acquisition of AFS, which was for a net cash consideration of approximately £300,000 was financed from existing cash resources.

### **DIVIDEND**

The Board has decided not to recommend the payment of a final dividend for the year. It has taken this decision in order to conserve cash for a potential acquisition that has been identified. Negotiations are still at an early stage but the Board currently anticipates that if the acquisition is concluded, it will be financed from the Company's existing cash resources and bank debt. If the acquisition does not proceed, the Board will consider paying a dividend following the announcement of the interim results in September.

### **STRATEGY**

The Group designs, installs and maintains software applications and solutions for the airline, rail, retail and logistics industries. A major part of our strategy is to provide operational solutions that create a continuing long-term relationship with the customer and repeat revenues through software licenses and managed service maintenance agreements. Traditionally these solutions were based upon our own specialised hardware. Whilst there is still a need for the rugged industrial terminal, some customers now want the flexibility to run our software on multiple hardware platforms and operating systems, such as tablets and smart phones (utilising Apple iOS and Android operating systems). Meeting this requirement has been a major part of our development plan and excellent progress has been made during the year.

## **CHAIRMAN'S STATEMENT 2014 (continued)**

### **DEVELOPMENT**

Our mobile retailing software can now run on all three major operating platforms, Windows, Apple iOS and Android whereas previously it could only work with Windows. This development has now been extended to our Logistics suite of software applications in the proof of delivery arena and can now also work on whatever platform the customer specifies, typically Windows and Android. This open platform approach will allow access to a wider range of customers. Hardware development continues with the upgrade and improvement of both the Hawk and Boston mobile devices, incorporating better processor technology with improved power and importantly, a lower overall production cost. The new Vienna truck mounted terminal has been widely acclaimed by customers, particularly in third party logistics operations.

### **OPERATIONS**

Good progress has been made in the mobile retail market. As well as new product developments, we have secured a number of notable contracts, including First Great Western and Leo Express (Czech Republic). These two, are particularly significant contracts as they use our mobile EPOS solution in retail sales onboard trains, where traditionally we have been dominant in the airline industry. These rail contracts, along with new airline orders secured in 2014, clearly demonstrate how our restructured 'mobile retail' sales team can employ skills and products tried and tested in the airline market for use in the rail arena.

A number of pilot systems have been delivered in to the transport sector and are progressing well. One such scheme, which could be deployed on some 650 vehicles, is expected to commence during 2015. Feedback Data, acquired in May 2013, continues to perform well, consolidating its position as a leading supplier of access control and workforce data capture solutions.

### **ACQUISITIONS**

At the end of the year the Group completed its purchase of AFS. This was the first stage of a plan to build on the success of the Feedback Data purchase. AFS has been merged into Feedback Data and strengthens the company's position in additional market areas, namely fire security systems and CCTV solution, broadening the product range and customer base. This will allow Feedback Data to further develop its geographic reach and improve its offering to new and existing customers.

One of Belgravium's principal strategies has been growth by acquisition. We are delighted by the acquisition of Feedback Data and more recently AFS, and we shall continue to seek further acquisitions.

## **CHAIRMAN'S STATEMENT 2014 (continued)**

### **OUTLOOK**

2014 was a much improved year with increased revenue and profits. The Group has made continued progress in extending its activities and offerings to cater for a wider and more discerning market. The Board believes that further progress will be achieved in the current year.

**J P Kembery**  
**Executive Chairman**  
**3 March 2015**

## Audited consolidated income statement for the year ended 31 December 2014

	2014	2013
	£'000	£'000
Revenue	9,408	8,425
Cost of sales	(4,680)	(4,249)
<b>Gross profit</b>	<b>4,728</b>	4,176
Distribution costs	(81)	(122)
Administration expenses	(4,170)	(3,932)
Operating profit before exceptional items	504	333
Exceptional costs included in administration expenses	(27)	(211)
<b>Operating profit</b>	<b>477</b>	122
Finance income	1	7
Finance expense	(3)	(4)
<b>Profit before income tax</b>	<b>475</b>	125
Income tax credit	34	94
<b>Profit for the year attributable to the owners of the parent</b>	<b>509</b>	219

Basic earnings per ordinary share (pence) attributable to owners of the parent during the year:

2014	2013
0.50p	0.22p

## Audited consolidated statement of changes in equity for the year ended 31 December 2014

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
<b>Balance at 1 January 2013</b>	5,047	2,932	2,100	1,052	11,131
<b>Comprehensive income</b>					
Profit for the year and total comprehensive income	-	-	-	219	219
Dividend (note 13)	-	-	-	(101)	(101)
<b>Balance at 31 December 2013</b>	<b>5,047</b>	<b>2,932</b>	<b>2,100</b>	<b>1,170</b>	<b>11,249</b>
<b>Comprehensive income</b>					
Profit for the year and total comprehensive income	-	-	-	509	509
Dividend (note 13)	-	-	-	(101)	(101)
<b>Balance at 31 December 2014</b>	<b>5,047</b>	<b>2,932</b>	<b>2,100</b>	<b>1,578</b>	<b>11,657</b>

## Audited consolidated balance sheet as at 31 December 2014

	2014	2013
	£'000	£'000
<b>Non-current assets</b>		
Goodwill	9,824	9,495
Development expenditure	716	556
<b>Total intangible assets</b>	<b>10,540</b>	10,051
Property, plant and equipment	217	213
Deferred income tax assets	67	66
	<b>10,824</b>	10,330
<b>Current assets</b>		
Inventories	1,435	1,774
Trade and other receivables	3,177	2,681
Current income tax recoverable	103	-
Cash and cash equivalents	731	219
	<b>5,446</b>	4,674
<b>Total assets</b>	<b>16,270</b>	15,004
<b>Current liabilities</b>		
Trade and other payables	4,027	2,962
Borrowings	18	13
Short term provisions	-	7
	<b>4,045</b>	2,982
<b>Non-current liabilities</b>		
Deferred income tax liabilities	75	-
Deferred income	480	750
Borrowings	13	23
<b>Total liabilities</b>	<b>4,613</b>	3,755
<b>Capital and reserves attributable to owners of the</b>		
Share capital	5,047	5,047
Share premium account	2,932	2,932
Capital redemption reserve	2,100	2,100
Profit and loss account	1,578	1,170
<b>Total equity</b>	<b>11,657</b>	11,249
<b>Total equity and liabilities</b>	<b>16,270</b>	15,004

## Audited consolidated cash flow statement for the year ended 31 December 2014

	2014	2013
	£'000	£'000
<b>Cash flows from operating activities</b>		
Operating profit	477	122
Depreciation	122	120
Amortisation	316	209
Movement in:		
Provisions	(7)	(15)
Inventories	361	(197)
Trade and other receivables	(431)	(221)
Trade and other payables	653	(426)
<b>Cash generated from / (used in) operations</b>	<b>1,491</b>	<b>(408)</b>
Interest received	1	7
Interest paid	(3)	(4)
Corporation tax paid	9	-
<b>Net cash generated from / (used in) operating activities</b>	<b>1,498</b>	<b>(405)</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary undertakings (net of cash acquired)	(296)	(232)
Amount paid to clear inter-company balances	-	(368)
Purchase of intangible assets	(476)	(220)
Purchase of property, plant and equipment	(100)	(57)
<b>Net cash used in investing activities</b>	<b>(872)</b>	<b>(877)</b>
<b>Cash flows from financing activities</b>		
Repayments of finance lease contracts	(13)	(12)
Equity dividends paid to shareholders	(101)	(101)
<b>Net cash used in financing activities</b>	<b>(114)</b>	<b>(113)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>512</b>	<b>(1,395)</b>
Cash and cash equivalents at start of the year	219	1,614
<b>Cash and cash equivalents at end of the year</b>	<b>731</b>	<b>219</b>



## ***1. General information***

**Belgravium Technologies plc is a public company limited by share capital incorporated and domiciled in the United Kingdom. The Company has its listing on AIM. The address of its registered office is 1 George Square, Glasgow, G2 1AL.**

## ***2. Basis of preparation***

**The financial information set out in this document does not constitute the Group financial statements for the year ended 31 December 2014 or 31 December 2013. The annual report and financial statements for the year ended 31 December 2014 were approved by the Board of Directors on 3 March 2015 along with this preliminary announcement, but have not yet been delivered to the Registrar of Companies.**

**The auditors' report on the financial statements for the year ended 31 December 2013 was unqualified and did not contain a statement under section 498 of the Companies Act 2006.**

**The audited consolidated financial statements from which these results are extracted have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.**

**The accounting policies set out below represent an extract of the policies set out in the consolidated financial statements. There have been no changes in accounting policies in the year.**

### *3. Critical accounting estimates and assumptions*

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (a) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates, both in arriving at the expected future cash flows and the application of a suitable discount rate in order to calculate the present value of these flows.

#### (b) Development expenditure

The Group recognises costs incurred on development projects as an intangible asset which satisfy the requirements of IAS 38. The calculation of the costs incurred includes the percentage of time spent by certain employees on the development project. The decision whether to capitalise and how to determine the period of economic benefit of a development project requires an assessment of the commercial viability of the project and the prospect of selling the project to new or existing customers.

### *4. Audited reconciliation of net funds*

	2014	2013
	£'000	£'000
<b>Reconciliation of net funds</b>		
Net increase/(decrease) in cash and cash equivalents	512	(1,395)
Net change in bank loans and finance leases	5	12
Movement in net funds	517	(1,383)
Net funds at beginning of year	183	1,566
<b>Net funds at end of year</b>	<b>700</b>	<b>183</b>

## 5. Earnings per share

	2014	2013
Basic earnings per ordinary share	0.50p	0.22p

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.

For adjusted earnings per share, the earnings are adjusted for exceptional items.

Reconciliations of the earnings and weighted average number of shares used in the calculation are set out below:

	2014		2013	
	Earnings £'000	Weighted average number of shares (in thousands)	Earnings £'000	Weighted average number of shares (in thousands)
<b>Basic EPS</b>				
Earnings attributable to owners of the parent	509	100,937	219	100,937
Exceptional items comprising of the following:				
Restructuring costs	-		148	
Deal costs	27		63	
	<u>27</u>		<u>211</u>	

Exceptional costs totalling £27,000 (2013: £211,000) were incurred. These comprised of the acquisition costs in the current year relating to Access Fire & Security Limited.