RNS Number : 8569N
Crimson Tide PLC
27 September 2019

27 September 2019

Crimson Tide plc

("Crimson Tide" or "the Company")

Interim results for the six months ended 30 June 2019

Crimson Tide, the provider of mpro5 - #notjustanapp (AIM: TIDE.L), announces its unaudited interim results for the six months ended 30 June 2019.

Highlights

- Profit before tax increased by over 2,000% to £101k (H1 2018: £4k)
- Turnover increased by 5.5% to £1,267k (H1 2018: £1,201k), influenced by fewer, lower margin hardware sales
- Pipeline of business enlarged and includes more enterprise organisations
- IOT pilots in transportation and retail

Barrie Whipp, Executive Chairman, commented,

"I am delighted to report an increase in profitability and turnover in a period where we substantially increased our investment in our sales team.

As a result of our decision to invest in additional senior sales professionals, with the associated cost, our pipeline has grown, and we have increased the number and value of our opportunities. As we are dealing with larger and more complex clients, our sales cycle has been extended but we are well positioned to take advantage of transactions that have been under discussion for some months. It should be noted that we are increasing our percentage of BYOD (Bring Your Own Device) business which will impact turnover but, more importantly, improve margins. Our investment in IOT has started to bear fruit and we are hopeful of further announcements in the near future."

Enquiries:

Crimson Tide plc 01892 542444
Barrie Whipp / Luke Jeffrey

Arden Partners 020 7614 5900
John Llewellyn-Lloyd / Dan Gee-Summons

Chairman's Statement

To increase profitability having added high calibre sales professionals to our team, with the associated costs, is very pleasing. Our team has increased our pipeline of business and it is only due to the longer sales cycle with larger clients that our performance was not even better. Importantly, theses sales have not been lost.

We have had to be patient as we discuss long term deals with our clients, which can be five-year investments which take time to conclude. The fact that mpro5 can achieve so much for clients sometimes means that we have to present to multiple departments and decision makers to conclude deals.

We are excited by our early moves into the transportation sector, which affords us the opportunity to show not only mpro5's capabilities to a wider audience but also to showcase our IOT (Internet of Things) investments which involve sensors in a wide range of business cases. IOT gives us the ability to track movement, weight and levels as well as sensing temperature, humidity and carbon dioxide levels. The possibilities for mpro5 with IOT are limitless.

Our sensible use of our own cash resources to finance our investment in the sales team is typical of our measured, yet ambitious approach to growing the business in an environment where decision making of our clients is understandably cautious.

Mpro5 continues to grow as a product. We are currently implementing single sign on and a new CRM section to the client websites. A new component tool, Stencil JS is being implemented by the development team. Our clients continue to demand more from mpro5 and we are currently pursuing integration opportunities, first with Xero accounting software, which will extend mpro5 to being an add on sale to enterprise or SME software.

These are early days into our sales growth strategy (approximately six months to June 30, 2019) and the addition of new SaaS contracts should now be well placed to allow us to grow further. We have had small successes in Europe, the Middle East and the United States and our measured investments in these territories mean that any new business will contribute directly to the bottom line.

There are so many opportunities for mpro5 it is difficult to expand upon all of them. We continue to do things in our own way, pragmatic yet ambitious, and the Board is confident that we are well placed to add quality, high margin revenue to our base. We have doubled our turnover since 2015 and increased our staff count from 14 to 32. This team is now set to add to our long term contracted base revenues and deliver enhanced results.

Barrie Whipp
Executive Chairman
27 September 2019

Crimson Tide plc
Unaudited Consolidated Income Statement for the 6 months to 30 June 2019

	Unaudited 6 Months ended 30 June 2019 £000	Unaudited 6 Months ended 30 June 2018 £000	Audited 12 Months ended 31 December 2018 £000
Revenue	1,267	1,201	2,398
Cost of Sales	(162)	(170)	(324)
Gross Profit	1,105	1,031	2,074
Overhead expenses	(831)	(807)	(1,581)
Earnings before interest, tax, depreciation & amortisation	**274**	**224**	**493**
Depreciation & Amortisation	(154)	(202)	(384)
Profit from operations	120	22	109
Interest payable and similar charges	(19)	(18)	(40)
Profit before taxation	**101**	**4**	**69**
Taxation	-	-	-
Profit for the period attributable to equity holders of the parent	101	4	69

Earnings per share	Unaudited 6 Months ended 30 June 2019	Unaudited 6 Months ended 30 June 2018	Audited 12 Months ended 31 December 2018
Basic earnings per Ordinary Share	0.02p	0.00p	0.02p
Diluted earnings per Ordinary Share	0.02p	0.00p	0.01p

Unaudited Consolidated Statement of Comprehensive Income for the 6 months to 30 June 2019

	Unaudited 6 Months ended 30 June 2019 £000	Unaudited 6 Months ended 30 June 2018 £000	Audited 12 Months ended 31 December 2018 £000
Profit for the period	101	4	69
Other comprehensive income/(loss) for period:			
Exchange differences on translating foreign operations	-	(1)	-
Total comprehensive profit recognised in the period and attributable to equity holders of parent	101	3	69

Unaudited Consolidated Statement of Financial Position at 30 June 2019

	Unaudited As at 30 June 2019 £000	Unaudited As at 30 June 2018 £000	Audited As at 31 December 2018 £000
Non-current assets			
Intangible assets	2,019	1,785	1,904
Equipment, fixtures & fittings	354	491	401
Right-of-Use assets	176	-	-
Total non-current assets	2,549	2,276	2,305
Current assets			
Inventories	14	10	15
Trade and other receivables	1,016	787	935
Cash and cash equivalents	489	782	613
Total current assets	1,519	1,579	1,563
Total assets	4,068	3,855	3,868

Equity and liabilities			
Equity			
Share capital	457	454	457
Share premium	148	121	148
Other reserves	478	420	478
Reverse acquisition reserve	(5,244)	(5,244)	(5,244)
Retained earnings	7,182	7,073	7,081
Total Equity	3,021	2,824	2,920
Current liabilities			
Trade and other payables	552	538	572
Finance lease liabilities	188	216	151
Total current liabilities	740	754	723
Non-current liabilities			
Finance lease liabilities	307	277	225
Total liabilities	1,047	1,031	948
Total equity and liabilities	4,068	3,855	3,868

Unaudited Consolidated Statement of Changes In Equity at 30 June 2019

	Share capital £000	**Share premium £000**	**Other reserves £000**	**Reverse acquisi-tion reserve £000**	**Retained earnings £000**	**Total £000**
Balance at 31 December 2017	454	121	478	(5,244)	7,012	2,821
Profit for the period	-	-	-	-	4	4
Translation movement	-	-	(1)	-	-	(1)
Balance at 30 June 2018	454	121	477	(5,244)	7,016	2,824
Balance at 31 December 2018	457	148	478	(5,244)	7,081	2,920
Profit for the period	-	-	-	-	101	101
Translation movement	-	-	-	-	-	-
Balance at 30 June 2019	457	148	478	(5,244)	7,182	3,021

Unaudited Consolidated Statement of Cashflows for the 6 months to 30 June 2019

	Unaudited 6 Months ended 30 June 2019 £000	Unaudited 6 Months ended 30 June 2018 £000	Audited 12 Months ended 31 December 2018 £000
Cash flows from operating activities			
Profit before tax	101	4	69
Adjustments for:			
Amortisation of Intangible Assets	80	71	141
Depreciation of equipment, fixtures and fittings	74	131	243
Interest expense	19	18	40
Operating cash flows before movement in working capital and provisions	274	224	493
Decrease/(increase) in inventories	1	(2)	(7)
(Increase)/decrease in trade and other receivables	(81)	187	70
Decrease in trade and other payables	(20)	(48)	(15)
Cash generated from operations	174	361	541
Taxes paid	-	-	(32)
Net cash generated in operating activities	**174**	**361**	**509**
Cash flows used in investing activities			
Purchases of fixed assets	(27)	(12)	(33)
Development expenditure capitalised	(195)	(158)	(347)
Net cash used in investing activities	**(222)**	**(170)**	**(380)**
Cash flows from financing activities			
Net proceeds from issues of shares	-	-	30
Interest paid	(19)	(18)	(40)
Net decrease in borrowings	(57)	(148)	(263)
Net cash used in financing activities	**(76)**	**(166)**	**(273)**
Net (decrease)/increase in cash and cash equivalents	**(124)**	**25**	**(144)**
Net cash and cash equivalents at beginning of period	613	757	757

Net cash and cash equivalents at end of period	**489**	**782**	**613**

	Unaudited 6 Months ended 30 June 2019 £000	Unaudited 6 Months ended 30 June 2018 £000	Audited 12 Months ended 31 December 2018 £000
Analysis of net funds			
Cash and cash equivalents	489	782	613
Bank overdraft	-	-	-
	489	782	613
Other borrowings due within one year	(125)	(214)	(151)
Borrowings due after one year	(194)	(277)	(225)
Net funds	**170**	**291**	**237**

Crimson Tide Plc

Notes to the Unaudited Interim Results for the 6 months ended 30 June 2019

1. Basis of preparation of interim report

The information for the period ended 30 June 2019 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

The interim financial statements have been prepared in accordance with the recognition and measurement principles of IFRS 16 "Leases". Crimson Tide has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening Consolidated Statement of Financial Position on 1 January 2019.

The interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2018. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

2. Earnings per share

The calculation of the basic earnings per share is based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the period.

The calculation of the diluted earnings per share is based on the profit per share attributable to ordinary shareholders and the weighted average number of ordinary shares that would be in issue, assuming conversion of all dilutive potential ordinary shares into ordinary shares.

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

	Unaudited 6 Months ended 30 June 2019	**Unaudited 6 Months ended 30 June 2018**	**Audited 12 Months ended 31 December 2018**
Earnings per share			
Reported profit (£000)	101	4	69
Reported basic earnings per share (pence)	0.02	0.00	0.02
Reported diluted earnings per share (pence)	0.02	0.00	0.01

	Unaudited 6 Months ended 30 June 2019	**Unaudited 6 Months ended 30 June 2018**	**Audited 12 Months ended 31 December 2018**
	No. 000	**No. 000**	**No. 000**
Weighted average number of ordinary shares			
Shares in issue at start of period	457,486	454,486	454,486
Effect of shares issued during the period	-	-	493
Weighted average number of ordinary shares for basic EPS	457,486	454,486	454,979
Effect of share options outstanding	9,250	10,364	8,581
Weighted average number of ordinary			

shares for diluted EPS	466,736	464,850	463,560

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END

IR UNOVRKAAKUAR