

9 December 2013

Octagonal plc
(“Octagonal”, the “Company” or the “Group”)

Interim results for the six months ended 30 September 2013

Octagonal plc (AIM: OCT) announces its interim results for the six months ended 30 September 2013.

Chairman’s Statement

These interim results are for the period ended 30 September 2013. Post period end the Company disposed of its subsidiary IBP Limited (IBP) and on 2 October 2013 became an Investing Company as defined by the AIM Rules. These results include the results of the disposed subsidiary IBP for the period.

Disposal of IBP Limited

As announced on 10 September 2013, the Board considered the ongoing viability of the revenue, profits and losses and cash outflows being derived from IBP as not sufficient to fully offset the central costs associated with the Company being quoted on AIM. Disappointingly none of the major contract wins that the Company had been targeting came to fruition and as a result forecast revenues were extremely weak. The Board was therefore of the opinion that the disposal of IBP was in the best interests of shareholders. The disposal of IBP was approved on 2 October 2013.

Capital re-organisation and fundraising

On 2 October 2013, at the same time as the disposal of IBP, the Company undertook a capital reorganisation and fundraising.

The existing ordinary shares of 0.05p each were consolidated into ordinary shares of 0.55p each at a ratio of 11 existing ordinary shares for every 1 new ordinary share of 0.55p each; and each of the new ordinary shares of 0.55p each was then subdivided into and reclassified as one Redenominated Share (being an ordinary share in the capital of the Company with a nominal value of 0.05 p each) and one Deferred Share (being a deferred share in the capital of the Company of 0.50 p nominal value).

The Deferred Shares carry negligible value and will not be admitted to trading. The Deferred Shares have limited rights, and are subject to the restrictions, set out in the Company’s articles of association.

At the same time the Company raised £250,021 before expenses by way of an issue of 250,021,404 new ordinary shares at an issue price of 0.1p per ordinary share.

New investing policy

Following the disposal of IBP, Octagonal was, having disposed of all of its trading businesses, reclassified as an Investing Company under Rule 15 of the AIM Rules.

The Company’s new Investing Policy is to invest in and/or acquire companies and/or projects within the natural resources and/or agriculture sector with potential for growth. The Company will also consider opportunities in other sectors as they arise if the new Board considers there is an opportunity to generate an attractive return for Shareholders. The geographical focus will primarily be Africa, however, investments may also be considered in other regions to the extent that the Board considers that valuable opportunities exist and returns can be achieved.

In selecting investment opportunities, the Board will focus on businesses, assets and/or projects that are available at attractive valuations and hold opportunities to unlock embedded value.

The Company changed its name from Suretrack Monitoring plc to Octagonal plc on 22 November 2013.

Directors

Hamish Harris and Daniel Maling joined the board on 2 October 2013, at which time Brian Wise stood down. I joined the board as Non-Executive Chairman on 22 November 2013.

I believe the Company is now best placed to move forward and to enhance future shareholder value.

Donald Strang
Chairman

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Consolidated Income Statement

Notes	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Six months ended	Year ended	Year ended	Year ended
	30 September 2013 (Unaudited)	30 September 2013 (Unaudited)	30 September 2013 (Unaudited)	30 September 2012 (Unaudited)	30 September 2012 (Unaudited)	30 September 2012 (Unaudited)	31 March 2013 (Audited)	31 March 2013 (Audited)	31 March 2013 (Audited)
	Discontinued business	Continuing business	Total	Discontinued business	Continuing business	Total	Discontinued business	Continuing business	Total
	£	£	£	£	£	£	£	£	£
Revenue	68,031	-	68,031	127,454	-	127,454	202,439	-	202,439
Cost of sales	(38,435)	-	(38,435)	(64,013)	-	(64,013)	(125,071)	-	(125,071)
Gross profit	31,596	-	31,596	63,441	-	63,441	77,368	-	77,368
Administrative expenses	(63,477)	(66,792)	(130,269)	(61,207)	(47,341)	(128,548)	(147,485)	(116,786)	(264,271)
Exceptional items	-	-	-	-	-	-	-	(885,028)	(885,028)
Operating loss	(31,881)	(66,792)	(98,673)	(17,776)	(47,341)	(65,107)	(70,117)	(1,001,814)	(1,071,931)
Loss before tax			(98,673)			(65,107)			(1,071,931)
Tax expense			-			-			-
Loss for the period			(98,673)			(65,107)			(1,071,931)
Loss per share Basic			(0.014p)			(0.009p)			(0.15p)

Consolidated Statement of Comprehensive Income

	Six months ended	Six months ended	Year ended
	30 September 2013 (Unaudited)	30 September 2012 (Unaudited)	31 March 2013 (Audited)
	£	£	£
Loss for the period	(98,673)	(65,107)	(1,071,931)
Other comprehensive income	-	-	-
Total comprehensive income for the period	(98,673)	(65,107)	(1,071,931)

Consolidated Statement of Financial Position

	30 September 2013 (Unaudited) £	30 September 2012 (Unaudited) £	As at 31 March 2013 (Audited) £
Non-current assets			
Goodwill	-	885,028	-
Other intangible assets	3,970	3,970	3,970
Property, plant and equipment	7,068	11,353	8,599
Long term loan note	-	188,062	-
	<u>11,038</u>	<u>1,088,413</u>	<u>12,569</u>
Current assets			
Inventories	3,835	29,422	13,175
Trade and other receivables	66,691	23,703	19,508
Cash and cash equivalents	64,506	167,819	101,174
	<u>135,032</u>	<u>220,944</u>	<u>133,174</u>
Total assets	<u>146,070</u>	<u>1,309,357</u>	<u>146,429</u>
Equity and liabilities			
Equity			
Share capital	309,404	4,170,844	309,404
Share premium account	-	2,091,897	-
Retained earnings	(399,540)	(5,067,937)	(304,998)
Total equity	<u>(90,136)</u>	<u>1,194,804</u>	<u>4,406</u>
Current liabilities			
Trade and other payables	236,206	114,553	142,020
Total current liabilities	<u>236,206</u>	<u>114,553</u>	<u>142,020</u>
Total equities and liabilities	<u>146,070</u>	<u>1,309,357</u>	<u>146,426</u>

Consolidated Statement of Cash Flows

	Six months ended 30 September 2013 (Unaudited) £	Six months ended 30 September 2012 (Unaudited) £	Year ended 30 March 2013 (Audited) £
Operating activities			
Loss before tax	(98,673)	(65,107)	(1,071,931)
<i>Adjustments for:</i>			
Depreciation and amortisation	2,406	2,292	4,819
Loss on sale of fixed assets	-	-	750
Impairment of goodwill	-	-	885,028
Share based payment costs	4,131	4,131	8,620
(Increase) in inventories	9,340	(3,978)	12,270
(Increase)/Decrease in receivables	(47,183)	31,258	35,451
(Decrease)/Increase in payables	94,186	(29,707)	(2,241)
Cash utilised by operations	(35,793)	(61,111)	(127,234)
Net cash utilised from operating activities	(35,793)	(61,111)	(127,234)
Investing activities			
Purchase of fixed assets	(875)	-	(2,522)
Proceeds from the sale of fixed assets	-	-	2,000
Net cash used in investing activities	(875)	-	(522)
Net cash outflow before financing	(36,668)	(61,111)	(127,756)
Decrease in cash and cash equivalents in period	(36,668)	(61,111)	(127,756)
Net cash and cash equivalents at start of the period	101,174	228,930	228,930
Net cash and cash equivalents at end of the period	64,506	167,819	101,174

Consolidated Statement of Changes in Equity

	Share capital £	Share premium account £	Retained earnings £	Total £
At 1 April 2012	4,170,844	2,091,897	(5,006,961)	1,255,780
Total comprehensive income for the period	-	-	(65,107)	(65,107)
Share based payment charge	-	-	4,131	4,131
At 30 September 2012	4,170,844	2,091,897	(5,067,937)	1,194,804
At 1 April 2013	309,404	-	(304,998)	4,406
Total comprehensive income for the period	-	-	(98,673)	(98,673)
Share based payment charge	-	-	4,131	4,131
At 31 September 2013	309,404	-	(399,540)	(399,540)

Notes to the interim report

1 Basis of preparation of the interim report

The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended March 2013 have been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498(2) or Section 498(3) of the Companies Act 2006.

This interim financial report has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. The interim financial information has been prepared on a basis which is consistent with the accounting policies adopted by the Group for the last financial statements and comparative figures are given for the six months to 30 September 2012 and the year ended 31 March 2013.

2 Segmental information

The Group has had one operating segment which was overseen by a distinct management team and reported to the Board. The subsidiary's operations constituted the supply, assembly and installation of security equipment through IBP Limited. The disposal of IBP Limited was approved on 2 October 2013 and has been shown as discontinued activities in these results.

	6 months ended 30 September 2013 £	6 months ended 30 September 2012 £	Year ended 31 March 2013 £
	IBP and Group		
Revenue from UK	64,592	61,350	107,642
Revenue from Europe	3,421	66,104	94,797
	<hr/> 68,013	<hr/> 127,454	<hr/> 202,439

Subsidiaries

	IBP		
	2013	2012	2013
Amortisation	2,406	2,292	4,819
Loss before tax	31,881	20,162	70,117
	<hr/> 50,041	<hr/> 43,363	<hr/> 20,840
Total External Liabilities			
Total External Assets	<hr/> 87,039	<hr/> 152,074	<hr/> 99,206
	Central Adjustments		
Amortisation	-	-	885,028
Loss before tax	66,792	44,945	1,001,814
	<hr/> 186,164	<hr/> 71,191	<hr/> 121,180
Total External Liabilities			
Total External Assets	<hr/> 59,031	<hr/> 1,157,283	<hr/> 47,220

	Group		
Amortisation	2,406	2,292	889,847
Loss before tax	98,673	65,107	1,071,931
Total External Liabilities	236,205	114,554	142,020
Total External Assets	146,070	1,309,357	146,426

3 Earnings per share

Earnings per share has been calculated on a loss of £98,673 (2012: loss of £65,107) and the average number of shares in issue for the period of 694,692,443 (2012: 694,692,443 shares).

	Six months ended 30 September 2013 (Unaudited) Basic £	Six months ended 30 September 2012 (Unaudited) Basic £	Year ended 31 March 2013 (Audited) Basic £
Earnings attributable to ordinary shareholders from continuing operations	(66,792)	(44,945)	(1,001,814)
Earning per share	(0.009p)	(0.006p)	(0.14p)
Earnings attributable to ordinary shareholders from discontinued operations	(31,881)	(20,162)	(70,117)
Earning per share	(0.005p)	(0.003p)	(0.01p)
Total Loss for the period	(98,673)	(65,107)	(1,071,931)
Loss per share	(0.014p)	(0.009p)	(0.15p)

4 Tax

No tax has been accounted for any of the periods shown as the group has been loss making during these periods.

5 Post balance sheet events

On 2 October 2013 the disposal of the Company's subsidiary company IBP Limited was approved and sold for £1. The results of IBP Limited have been shown as discontinued in the consolidated income statement. The value of the consolidated net assets disposed was £21,718.

On 2 October 2013 the Company undertook a capital re-organisation, on the following basis:

- (a) the existing ordinary shares of 0.05p each were consolidated into ordinary shares of 0.55p each at a ratio of 11 existing ordinary shares for every 1 new ordinary share of 0.55p each; and

(b) each of the new ordinary shares of 0.55p each was then subdivided into and reclassified as one Redenominated Share (being an ordinary share in the capital of the Company with a nominal value of 0.05 p each) and one Deferred Share (being a deferred share in the capital of the Company of 0.50 p nominal value).

The Deferred Shares carry negligible value and will not be admitted to trading. The Deferred Shares have limited rights, and are subject to the restrictions, set out in the Company's articles of association.

The rights attached to the Redenominated Shares are identical in all respects to those of the existing ordinary shares.

Also on 2 October 2012 the Company raised £250,021 before expenses by means of a subscription for 250,021,404 Ordinary Shares at 0.1p per ordinary share. It intends to utilise those funds in connection with implementing a proposed new Investing Policy for the Company. In addition, and under the terms of the subscription, 250,021,404 warrants to subscribe for new ordinary shares at an exercise price of 0.1p per new ordinary share exercisable for five years were issued to the subscribers.

6 Availability of the interim report

Copies of the interim report will be available from the registered office of the Company at Suite 3b, 38 Jermyn Street, London SW1Y 6DN and from the Company's website www.octagonalplc.com.