

24 November 2017

Octagonal plc
("Octagonal" or the "Company")

Unaudited Half-Year Results for the Six Months to 30 September 2017

Octagonal (AIM: OCT), announces its unaudited half-year results for the six months to 30 September 2017

Summary of Financial highlights for the six months to 30 September 2017

- Unaudited revenues increased by 17.4% to £3.3m in the reporting period (September 2016: £2.9m and audited 12 months to 31 March 2017 £5.6m)
- Synergis Capital Plc, 72.4% owned subsidiary of the Group raised external funding of over £1m during the period.
- Unaudited adjusted operating profit excluding Synergis Capital plc consolidated costs and like for like basis comparison was £1.5m (2016: £1m and audited 31 March 2017 £1.9m).
- Unaudited operating profit including additional consolidated cost of £482,000 in relation to the new business start up - Synergis Capital Plc was £1.1m (September 2016: £1.1m and audited 31 March 2017: £1.9m)
- Net Assets £8.2m (September 2016: £6.1m and 31 March 2017: £6.6m)
- Cash balance of £5.3m (September 2016: £2.6m and audited 31 March 2017: £3.8m)

Interim period trading highlights:

- Cost efficiencies and margin improvement continues within Global Investment Strategy UK Ltd ("GIS") Significant work continues being undertaken to improve processing efficiencies, client reporting and reducing frictional costs; as a result net margins have improved from 40% to 47.5% over the comparable period.
- Additional services to clients - Asset Management and enhanced FX, Futures and Options trading services made a positive contribution in the period. This continues the Company's strategy of organically growing, offering a broader range of services to clients where it sees long term value.
- Corporate finance activities made a positive contribution in the period for the first time.

Business Overview

Trading results

The revenue for the six months to 30 September 2017 from continuing operations was £3.3m (September 2016: £2.9m), a 17.5% increase on a like for like basis. Operating profit amounted to £1.1m with additional consolidated cost of £482,000 in Synergis Capital Plc ("Synergis"), compared with £1m in the same period last year. Gross profit margins remain strong at 78% (September 2016: 68%) with operating profit margins reduced to 31% due to the additional consolidated Synergis costs (September 2016: 38%).

In addition Net assets and Cash rose to £8.2m million (September 2016: £6.1m) and £5.3m (September 2016: £2.6m and audited 31 March 2017: £3.8m), respectively

Included in the operating profit above were consolidated 'PLC' costs for the interim period that remained low at £65,000, and pre revenue start-up cost for Synergis for the period were £482,000.

Synergis Capital Plc is 72.4% owned subsidiary of the group and it raised external funding of over £1m during the period.

Board Changes

On 7th June 2017, the Company announced that Grant Roberts, Non Executive Chairman stepped down from the board due to increased demand from his other business commitments and John Gunn was appointed Chairman on an interim basis.

Other activities post reporting period:

On 31st October 2017, the Company announced that the Court approved the capital reduction of the Company. As a result, all issued deferred shares in the capital of the Company and the Company's share premium account were all cancelled. The effect of these actions had been to eliminate the deficit on distributable reserves enabling the Company to declare dividends.

On 21 November 2017, the company announced the soft launch of the "SynerGIS" bond offering through its subsidiary GIS and was available for pre-registration.

Dividend

On 7th November 2017, the Company declared a dividend of 0.1 pence per share payable on 15th December 2017.

John Gunn, CEO and Chairman, reports:

"This is a good set of results for the half year and this reflects the work done by the team to improve processing efficiencies and increasing margins.

We also managed to improve revenues and profits in spite of the negative impact of a slightly strengthened pound as our revenues are by majority USD and to a lesser extent Euro and GBP denominated.

This was the first time we have seen our corporate finance activities beginning to make a positive contribution to revenues and profits. We will naturally continue to develop these opportunities, although there is no certainty of maintaining these levels of revenue, which were below 10% of total revenues for the period.

Whilst our business remains subject to fluctuations in global markets, we continue to be confident in the outlook for the remainder of the year.

Our application for our Hong Kong license continues and we'll update shareholders when there are meaningful developments.

Finally I am please to announce that the company soft launched the SynerGIS Bond offering inviting depositors to pre register.'

For further information please visit www.octagonalplc.com or contact:

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John Gunn, CEO

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**Unaudited Group Income Statement and statement of comprehensive income
For the 6 months ended 30 September 2017**

	Unaudited 30 September 2017 £'000	Unaudited 30 September 2016 £'000	Audited 31 March 2017 £'000
Revenue	3,348	2,853	5,596
Cost of sales	(745)	(907)	(1,617)
Gross profit	2,603	1,946	3,979
Administrative expenses	(1,556)	(875)	(2,053)

Operating profit	1,047	1,071	1,926
Other gains and losses	-	(168)	(613)
Finance income	-	-	-
Finance costs	-	(1)	-
		s	
Profit before tax	1,047	902	1,313
Taxation	(220)	(195)	(311)
Profit for the year	827	707	1,002
Attributable to:			
Shareholders in the Parent Company	932	707	1,035
Non-controlling Interests	(105)	-	(33)
	827	707	1,002
Earnings per share attributable to owners of the parent company			
Basic and diluted (pence per share)			
From continuing and total operations	0.166p	0.126p	0.185p

**Unaudited Group Statement of Financial Position
As at 30 September 2017**

	Un audited 30 September 2017 £'000	Un audited 30 September 2016 £'000	Audited 31 March 2017 £'000
Non-Current assets			
Goodwill	2,869	2,869	2,869
Other Intangibles	169		50
Property, plant and equipment	77	66	62
Deferred Tax asset	67	-	65
	3,182	2,935	3,046
Current assets			
Available for sale investments	108	579	126
Trade and other receivables	574	644	327
Cash and cash equivalents	5,349	2,628	3,813
	6,031	3,851	4,266
TOTAL ASSETS	9,213	6,786	7,312
Current liabilities			
Trade and other payables	309	345	286
Current tax liabilities	681	350	389
Borrowings	-	-	-
	990	695	675
Non-Current liabilities			
Borrowings	-	-	-
NET ASSETS/(LIABILITIES)	8,223	6,091	6,637
Equity			
Share capital	1,104	1,104	1,104
Share premium account	3,669	3,669	3,669
Reverse acquisition reserve	679	679	679
Retained earnings	2,518	639	1,148
Equity attributable to owners of the company	7,970	6,091	6,660
Non- Controlling interests	253	-	37
Total Equity	8,223	6,091	6,637

**Unaudited Group Statement of Changes in Equity
For the 6 months ended 30 September 2017**

	Share capital	Share Premium	Reverse acquisition reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2015	2,613	-	-	(670)	1,943	-	1,943
Total comprehensive income for the year	-	-	-	603	603	-	603
Adjustment for reverse acquisition	(1,552)	2,109	679	-	1,236	-	1,236
Proceeds of share issues	43	1,657	-	-	1,700	-	1,700
Share issue costs	-	(97)	-	-	(97)	-	(97)
Balance at 31 March 2016	1,104	3,669	679	(67)	5,385	-	5,385
Total comprehensive income for the year	-	-	-	1,035	1,035	(33)	1,002
Adjustment arising from change in non-controlling interest	-	-	-	180	180	70	250
Balance at 31 March 2017	1,104	3,669	679	1,148	6,600	37	6,637
Total comprehensive income for the year	-	-	-	932	932	(106)	826
Adjustment arising from change in non-controlling interest	-	-	-	438	438	322	760
Balance at 31 March 2017	1,104	3,669	679	2,329	7,969	254	8,223

**Unaudited Group Statement of Cash flows
For the 6 months ended 30 September 2017**

	Unaudited	Unaudited	Audited
	30 September	30 September	31 March
	2017	2016	2017
	£'000	£'000	£'000
OPERATING ACTIVITIES			
Profit/(loss) for the year before taxation	1,047	902	1,313
Adjusted for:			
Finance expense	-	-	-
Finance income	-	-	-
Depreciation	7	7	21
Investment impairment	18	168	613
Operating cash flows before movements in working capital	1,072	1,077	1,947
(Increase)/Decrease in trade and other receivables	(247)	61	167
Increase/(Decrease) in trade and other payables	22	(75)	149
Net cash from / (used in) operating activities	(225)	(14)	2,263
Tax paid			(200)
Net cash used in operating activities	847	1,063	2,063
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(14)	(11)	(28)
Development costs	(119)		(50)
Purchase of investments	-	-	(50)
Related party repayment of loan	-	25	76
Net cash from / (used in) investing activities	(133)	14	(52)
FINANCING ACTIVITIES			
Non-controlling interest investment	821	-	250
Interest paid	-	(1)	-
Net cash from / (used in) financing activities	821	(1)	250
Net (decrease)/increase in cash and cash equivalents	1,535	1,076	2,261
Cash and cash equivalents at beginning of year	3,813	1,552	1,552
Cash and cash equivalents at end of year	5,348	2,628	3,813

Notes to the interim statement
For the 6 months ended 30 September 2017

1. General information

Octagonal plc is a company incorporated in the England and Wales with number 6214926, and whose registered office is: 2nd Floor, 2 London Wall Buildings, London EC2M 5PP, under the Companies Act 2006. The Company's main activity is that of a financial services business offering a wide range of services to institutional, family office and high net worth clients.

The Company's functional currency is Sterling. The Company's financial statements are presented in Sterling, which is the Company's presentational currency.

2. Basis of preparation

The financial information set out in this interim report for the six months ended 30 September 2017 is unaudited and does not constitute statutory accounts as defined in Section 434 of Companies Act (2006).

The Company's statutory financial statements for the period ended 31 March 2017, prepared under IFRS, have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

These financial statements have been prepared on a going concern basis under the historical cost convention. The Directors believe that the going concern basis is appropriate for the preparation of these interim financial statements as the Company is in a position to meet all its liabilities as they fall due. These interim financial statements for the six months to 30 September 2017 were approved by the Board on 22 November 2017.

3. Earnings per share

The basic earnings per share is based on the profit for the year divided by the weighted average number of shares in issue during the year. The weighted average number of ordinary shares for the period ended year ended 30 September 2017 assumes that all shares have been included in the computation based on the weighted average number of days since issue.

	Unaudited	Unaudited	Audited
	30 September	30 September	31 March
	2017	2016	2017
	£'000	£'000	£'000
Profit attributable to owners of the Group	£932,279	£707,000	£1,035,000
Weighted average number of ordinary shares in issue for basic and fully diluted earnings	560,893,552	560,226,886	560,226,886
Earnings per share (pence per share)			
Basic and fully diluted:	0.166p	0.126p	0.185p

4. Dividend

On 7th November 2017, the Company declared a dividend of 0.1 pence per share payable on 15th December 2017.

5. Distribution

The half yearly report for the six-month period ended 30 September 2017 will shortly be available on the Company's website (www.octagonalplc.com) or directly from the Company at its registered address.

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