3 December 2019

Oxford Metrics plc

("Oxford Metrics", the "Company" or the "Group")

Preliminary Results for the financial year ended 30 September 2019

Oxford Metrics plc (LSE: OMG), the international software company servicing government, life sciences, entertainment and engineering markets, announces preliminary results for the financial year ended 30 September 2019.

Summary of Results			
	FY19	**FY18**	**% Change**
Revenue	£35.3m	£31.7m	+11.7%
Adjusted Profit before Tax*	£5.5m	£5.2m	+5.7%
Ordinary Dividend per Share	1.80p	1.50p	+20.0%
Statutory Profit before Tax	£4.7m	£4.6m	+1.9%
Statutory Basic Earnings per Share	3.33p	3.23p	+3.1%
Net Cash	£13.8m	£12.2m	-

** Adjusted PBT* for continuing operations has been determined after adding back non-cash moving items such as share-based payments, amortisation of intangibles arising on acquisition, fair value adjustments to IMeasureU purchase consideration, impairment of Pimloc investment and exceptional costs.*

Financial Highlights

- Headline Group revenue increased 11.7% year-on-year (10.0% at constant currency) to £35.3m (FY18: £31.7m) – driven by a strong performance from Vicon
- Adjusted profit before tax up 5.7% to £5.5m (FY18: 5.2m).
- IFRS15 adverse impact on Revenue and Adjusted PBT £0.3m
- Strong cash generation from operations (before paying interest and tax) increased by 13.9% to £7.7m (FY18: £6.7m)
- Net cash balance of £13.8m (FY18: £12.2m)
- Recommended Ordinary Dividend increased by 20% to 1.80p per share (FY18: 1.50p per share)
- Our motion measurement division, Vicon recorded record revenues for the fourth consecutive year with headline revenue up 16.2% year-on-year (13.9% at constant currency)
- Our Asset Management Division, Yotta reported its highest ever Annualised Recurring Revenue (‘ARR’) up 8.8% year-on-year to £6.2m as of 30 September 2019 (FY18: £5.7m)

Operational Highlights

- Good progress against five-year strategic plan to ‘amplify the core’: leveraging investments to drive organic growth
- Strategy for Vicon: strengthen and protect profitable market leader
  - Established Markets revenue grew by 12.3% with a particularly strong performance from the Engineering Segment following new contracts with European Space Agency, Northrup Grumman and NASA’s Jet Propulsion Lab.
  - Clear traction in adjacent verticals with 125.2% growth - our Location-based Virtual Reality (‘LBVR’) business now has nine partners using our systems, including Sandbox VR and VR Arcade, with opportunity to scale.
  - Added ViperX to dedicated LBVR line, enabling operators to run multiple groups of customers through the same environment, achieving greater throughput.
  - IMU Step, a SaaS solution for elite sports, continued to grow recurring revenue base with multiple new customer wins, including elite teams in basketball, football and baseball.
  - Motion measurement is truly breaking into the mainstream with a broader range of applications continuing to emerge and clear demand from customers using our software in more new application areas
- Strategy for Yotta: develop cloud-based software products and grow recurring revenues:
  - Transition to SaaS model now complete. Momentum in customer implementations post-period end with ARR progressing to £6.5m as of 2 December 2019.
  - Delivered significant improvements in Horizons and Alloy. Upgrades to the Alloy Workflow system and the launch of new Domestic Waste and Street Cleansing modules directly led to wins at Chorley, Hillingdon and Barnsley.
  - Notable international win in New Zealand at Auckland System Management.
  - Developed Major Accounts function to expand important relationships with high profile clients.

- Divisional fixed costs now 79% covered by recurring revenue

Commenting on the results Nick Bolton, Chief Executive Officer said:

"This has been a year of real strategic progress - a year where the investments we have been making across the business are beginning to bear fruit.

In our motion measurement division, including Vicon, we have invested in sales & marketing bolstered our position as market leader and enter entirely new markets in Elite Sports and LBVR, where we now have a significant opportunity to scale. This puts Vicon in a strong position to capitalise on the trend of motion measurement, which continues to break into every aspect of our daily lives, whether that be through smartphones, fitness trackers or virtual reality. In our asset management division, while we had a slower start to the year, the transition to SaaS is now complete and following investment in our product and our people, momentum is building.

Both businesses have started the year well and operate in growing global markets. Cash generation remains strong, and our pipelines continue to grow, all of which gives the Board confidence in our prospects for the year ahead and beyond."

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About Oxford Metrics

Oxford Metrics develops and markets analytics software for motion measurement and infrastructure asset management to clients in over 70 countries worldwide. Our list of clients across the globe is as diverse as the markets we operate in; we help highways authorities manage and maintain their road networks, hospitals and clinicians decide therapeutic strategies and Hollywood studios create stunning visual effects. And the diversity of applications is growing all the time.

The group trades through two market-leading divisions: Our motion measurement division, including Vicon, and our infrastructure asset management division, Yotta. Vicon is the world's leader in high precision motion measurement analysis to thousands of customers worldwide, including Guy's Hospital, EA Sports, MIT and NASA and our software is used in an ever expanding range of applications. Yotta provides cloud-based infrastructure asset management software to central and local government agencies and other infrastructure owners. Yotta has a large number of high profile clients including Highways England and Amey in the UK and VicRoads in Australia amongst others.

Founded in 1984 our group is headquartered in Oxford with offices in Leamington Spa, Gloucester, California, Colorado, Singapore and Auckland. Since 2001, Oxford Metrics (LSE: OMG), has been a quoted company listed on AIM, a market operated by the London Stock Exchange.

For more information about Oxford Metrics, visit www.oxfordmetrics.com

CHAIRMAN'S STATEMENT

We are pleased to report another year of clear growth for the business, setting a new record for revenue performance whilst delivering tangible strategic progress. Revenue from continuing operations grew 11.7% to £35.3m (FY18: £31.7m) and Adjusted PBT* from continuing operations was up 5.7% at £5.5m (FY18: £5.2m). The company reports another year of strong cash generation, finishing with £13.8m at year-end (FY18: £12.2m) having paid a special dividend of £1.2m (2018: Nil) and the final 2018 dividend of £1.9m (2018: £1.5m) during the year.

Further, in light of the strong cash performance we are pleased to propose a 20% increase in our final dividend to 1.80p per share (FY18: 1.50p) in line with our progressive dividend policy and aim of average Ordinary Dividend Cover of 2.0x earnings, as declared in our five-year plan.

Strategic Progress

Just over half-way through our current five-year plan, the business has made demonstrable progress over the past year through our "amplify the core" strategy. This strategy recognises we operate in exciting markets, with differentiated products and loyal customers, and from this strong platform we aim to amplify their visible, material capabilities.

Indeed, this platform has driven our software into yet more applications over the past 12 months. Our ingenious customers have been using our software - sometimes in the cloud, sometimes running on specialised hardware - to improve innumerable walks of life by measuring and analysing the metrics that matter most to them. Through our software, our customers have accelerated the rehab of injured elite athletes; they have created new immersive, free-to-roam Virtual Reality (VR) experiences; they have made highways safer and cheaper to maintain; and they have made sure domestic waste is efficiently collected from our doorsteps. The demand for more precise capture and analysis of data is clear and in an ever-increasing number of applications, measurement matters.

Our software captures, analyses and presents data, which enables our customers to optimise the metrics that matter most to make better informed decisions, manage processes and assets. Our focus is all about those metrics - helping customers acquire them, analyse them and act on them. In this way, we enable customers to see something that could otherwise not be seen - measurement is in our DNA and is our common thread.

We deliver this strategy through three key organic mechanisms within our existing divisions; all of which were utilised over the past year.

- Using market and technology insights to guide R&D investment to increase product range and solution differentiation.
- Developing new adjacent vertical and geographical market opportunities either directly or indirectly through partners.
- Improving quality of earnings through developing SaaS opportunities, which are recurring and high quality in nature, wherever possible, and building long-term relationships with repeat customers.

Furthermore, the company is actively seeking to deploy cash resources to augment organic growth through earnings-accretive acquisitions, which would aim to extend product range, grow market share and/or increase differentiation.

Board

In February 2019 we announced the retirement of long-standing Non-Executive Director and Chair of our Remuneration Committee, Jonathon Reeve. Amongst many achievements whilst on the Board, as a former Rear Admiral in the Navy, Jonathon made an invaluable contribution to the growth of our defence-focussed subsidiary, 2d3, and its eventual premium sale to Boeing in April 2015 for $25M. On behalf of shareholders and employees alike, I wish to thank Jonathon for his great work and wish him a fulfilling and relaxing retirement.

On November 21st 2019, we appointed Naomi Climer to replace Jonathon as Chair of the Remuneration Committee. Naomi has had a successful executive career in broadcast, media and the communications technology sectors with the BBC, ITV Digital and Sony. Naomi is currently a Non-Executive Board Member at Sony UK Technology Centre, a Non-Executive Director at Focusrite plc, Chair at the International Broadcasting Convention Council (an advisory body), Trustee and Vice President at the Royal Academy of Engineering, Co-chair at the Institute for the Future of Work and a Member of the Science and Technology Awards Committee. I welcome Naomi to our Board and look forward to working with her and the rest of Board as we further grow the business.

Lastly, I want to thank the stakeholders in our business for all their contributions over the past year – our outstanding team in our offices worldwide, our shareholders, our partners and most importantly our customers.

Roger Parry
Chair

** Profit Before Tax before group recharges adjusted for share-based payments, amortisation of intangibles arising on acquisition, fair value adjustments to IMeasureU purchase consideration, impairment of Pimloc investment and exceptional costs.*

CEO REVIEW

2018/19 was another exciting year for the business with progress being made across both divisions. Our motion measurement division, Vicon, reports record revenues for the fourth year in a row – up over 65% since FY15. Our infrastructure asset management division, Yotta, grew its level of SaaS contracts to £6.2m by September 30th 2019.

Motion Measurement Division – Vicon

KPI	Revenue		PBT		Adjusted PBT*	
	FY19	FY18	**FY19**	FY18	**FY19**	FY18
Motion measurement	**£28.3m**	£24.4m	**£6.3m**	£5.5m	**£8.1m**	£7.3m

This time last year, we discussed how the market for motion measurement was growing as a result of the arrival of the Augmented Age, where our lives become increasingly enhanced and augmented through digital interfaces. In this Age, new applications for motion measurement continue to emerge, these interfaces need to understand movement as well as humans do. Of course, we have been doing this since 1984 and we now hold a high degree of proprietary software IP relating to this. Just as trailed, we can see over the past 12 months how movement tracking is entering the mainstream - smartwatches, fitness trackers, smartphones, robots, VR rigs and vehicles now routinely track movement.

This has two clear benefits for us. Firstly, more customers use our measurement platform to help them design an engineer the motion-understanding products and systems required in the Augmented Age. This is in part what has driven the growth in sales in our Established Markets segment during this reporting period. Secondly, it opens up new Adjacent Vertical market opportunities where we offer a more complete solution for a specific domain. For example, in Elite Sports, our sensors and software are being used to provide the Strength and Conditioning Coach with precise lower limb load data for a recovering athlete during their rehabilitation process.

Established Markets – leader of the pack

2018/19 was an excellent year for our Established Markets. The business achieved record revenues, growing revenues 12.3% year-on-year whilst improving Product Gross Margin to 74.0% (FY18: 73.4%).

Engineering Segment – Up 37.7%

The Engineering market segment performed well throughout the year, the customer list included new contracts with European Space Agency, Thales Alenia Space, Northrup Grumman and NASA's Jet Propulsion Lab.

Life sciences segment – Up 6.0%

There were also good wins in the Life Sciences market with a number of long-term Vicon customers all upgrading. This included Robert Gordon University, Staffordshire University and the Human Performance Lab at Imperial College London, and also The Shriners Group of Hospitals upgraded several sites in the US. There were also new site wins including an exceptional order from a major sports apparel business, The University of West Scotland and Vilnius University Children's Hospital.

With the launch of our all new Blue Trident inertial sensor in June, we also saw growing take-up of inertial measurement in our markets. One such deal was with Red Bull for its Diagnostics and Training Centre in Austria. This site was an existing Vicon optical measurement customer where they use the system to help rehabilitate and train Red Bull's world-class athletes across a multitude of sport disciplines such as athletics, ultrarunning and triathlon. This year they added Vicon inertial tracking so they obtain precise diagnostic metrics relating to asymmetry and limb loading during training.

Entertainment segment – Up 7.6%

We built on a strong first half performance in the Entertainment market, which included large system wins at NC Soft in South Korea and Square Enix in Japan. This strong market performance was underpinned by 34.4% year-on-year growth in the Asia Pacific region. In the UK, games company Ninja Theory, creators of Hellblade and many other titles, invested in a significant Vicon system to help drive their future game development.

To assist in the company's future growth, we introduced a number of new products during the year. This included the latest version of our flagship animation software, Shogun 1.3, which amongst other new innovative features, added practical high-fidelity finger tracking which previously was only available using expensive third party setups.

Adjacent Verticals – applied metrics for growth

Two years ago, our Adjacent Verticals segment made up less than 0.1% of total divisional revenues. In FY18, the segment made up 3.4% of revenues and over the past year now make up 6.6% of revenues. These adjacent markets represent vertical market opportunities, where our broad capability motion measurement systems are tailored and enhanced to provide an end-to-end solution for the target customer. They offer a meaningful expansion of our addressable market and equally are of an appropriate size and structure that we are able to address them. We are currently pursuing two such vertical markets in Location-based Virtual Reality ('LBVR') and Elite Sports – both of which saw good market and product progress in 2018/19.

Location-based Virtual Reality

Our LBVR business continued to gain traction. LBVR is an emerging form of entertainment where participants share collective VR experiences in a specific location, such as a shopping mall, cinema, theme-park or museum. In these experiences, users are free to walk around and interact with each other – all within a virtual world. Vicon's software tracks the complex movement of these users and various props which delivers simplicity, accuracy and resilience.

We now have nine partners in the LBVR marketplace, who incorporate our systems into their entertainment centres. 2019 saw us add Sandbox VR and VR Arcade to that group of partners. VR Arcade now have five centres open in two different countries and Sandbox VR have 12 centres operating in six different countries. Indeed, Sandbox plan to open 40 experience rooms across 12 new locations around the world, so there is significant opportunity to scale these partnerships over time.

We recently added the ViperX to our dedicated LBVR line, which enables the capture of larger volumes including "maze" environments, which enables LBVR operators to run multiple parties through the same facility at the same time. This means the operator can gain greater throughput from a single venue.

Elite Sports

Turning to our Elite Sports vertical, we grew SaaS revenues here with new customer wins with elite teams in basketball, football and baseball amongst others. As a reminder, we provide a unique lower-limb load monitoring software, IMU Step. This unique software, provided on a Software-as-a-Service (SaaS) basis, enables coaches to gain an objective measure of the load an athlete endures in their lower limbs during training.

To further enhance the market, we introduced the Blue Trident sensor and a new iOS app Capture.U in June 2019. Blue Trident is waterproof and includes two inertial sensors - one capturing the highest peaks of elite athlete activity and the other tracks lower intensity movement. The Blue Trident also includes a gyroscope to record angular velocity and a magnetometer to determine direction as well. The new iOS app Capture.U, receives data from Blue Trident in real-time and delivers analysis on an iPad or iPhone – another step for motion measurement into the mainstream. This increased sophistication in measurement and analysis opens up many new opportunities going forward.

2018/19 saw some great wins at leading sports teams and institutions, including Texas Tech University, Exponent, UNC Chapel Hill, Airforce Academy, Stephen F. Austin University, University of Kentucky, University of Memphis and the University of Tennessee Knoxville. Further we have recently been awarded a patent in the US for our unique approach to load management. Given our growing market traction in Elite Sports, we plan to invest a further £0.5m in sales and marketing efforts in the year ahead.

Other Vertical Opportunities

As part of our push into vertical markets, we also continue to explore OEM relationships, where Vicon's tracking capability is embedded in other companies' end market solutions. We have a number of such engagements already, including Motek and Innovative Sports Training. Ultimately our aim is to see Vicon software running on a wide variety of platforms, empowering the Augmented Age with motion tracking excellence.

Asset Management Division - Yotta

KPI	Revenue		PBT		Adjusted PBT*	
	FY19	FY18	**FY19**	FY18	**FY19**	FY18
Asset Management	**£7.0m**	£7.3m	**(£1.5m)**	(£1.0m)	**(£0.2m)**	£0.4m

Our Asset Management division, Yotta, continued its transition to a SaaS-based business during the year, reporting our highest level of ARR of £6.2m on 30th September 2019 (30th September 2018: £5.7m) coupled with high levels of customer retention at 94.8% (FY18: 95.3%). We are pleased to report ARR has progressed to £6.5m as of 2nd December 2019. At this level ARR is now 79% of all current operating costs so with expected further growth we look forward to a profitable year ahead which will enhance what is already a valuable SaaS based business.

Reported headline revenues of £7.0m (FY18: £7.3m) were slightly down on last year for two reasons. Firstly we have been transitioning from a perpetual licence model to a pure SaaS model, which meant we reported only £0.2m in perpetual licenses this year versus the £0.5m the year before. This transition to SaaS is now complete and we do not anticipate any perpetual licenses in the year ahead. Secondly, the progress achieved in ARR was not fully reflected in the headline revenue due to delays with customer-driven implementations.

Yotta's three growth vectors all saw progress over the year, with a notable performance from our Direct segment, driven in part by changes we made at the start of the financial year.

Direct

Having re-organised our direct operations early in the financial year, including bringing on a new sales lead, our pipelines and sales have been improving through the year. We now have 138 Local Authority customers using at least one piece of our software, of a UK total of 408 Local Authorities and remain confident about further prospects. Amongst other deals, there were new wins at Bury, Barnsley, West Lancashire, Hillingdon and Kent County Council, and extensions of either contract length or software footprint at many customers, including Kingston and Sutton, Wigan, Northumberland and Plymouth.

Our most notable international win was in New Zealand at Auckland System Management (ASM), a joint venture between the New Zealand Transport Authority (NZTA), Fulton Hogan and HEB Construction, a Vinci company. ASM is now using Yotta's innovative software, Alloy, as a single platform to manage all their Intelligent Transport System assets which are used on the motorways in and around Auckland, connecting multiple stakeholders and enabling them to bridge operational silos across the organisation. It will also allow them to deploy sensor technology into the network feeding real-time data into Alloy, so ASM can improve service levels and offer live reporting of issues and resolutions to customers.

Our Infrastructure Asset Management consultancy team delivered revenues of £1.6m (FY18: £1.8m), which were lower due to the aforementioned delays with customer implementations. This team helps customers get the most out of their Yotta software implementations by providing advice on such matters as providing Brighton and Hove with consultancy to help them evidence their bid for Incentive Fund funding from the DfT, providing Westminster City Council with their value management analysis and approach as well as working with Sunderland Council to deliver Life Cycle Planning and Investment Scenario modelling to support future investment on their highways network.

Indirect

Our indirect business, where we aim to grow through a channel of independent market-focussed resellers, recorded a number of notable wins during the year. These include CCFC Highway and Bogota Airport in Colombia, where Horizons is in use to assist in strategic asset management planning.

OEM & Partnerships

During FY19 Yotta established a Major Accounts function that is targeted on developing the relationships with large, multi-national contractors and central government agencies. Yotta has long standing relationships with many such organisations, including Balfour Beatty, Amey, Fulton Hogan, Welsh Government and Highways England. Working with such organisations enables us to sell into larger, integrated opportunities, where software is only a component of the solution required.

Product progress

Our Yotta development team has delivered significant improvements in Horizons and Alloy platforms during FY19. These developments have served to both broaden and deepen the functional footprint of both products, thereby expanding our applicability and revenue opportunities with customers.

Version 2 of Alloy includes significant upgrades in the Workflow system that allows users to define business processes and Alloy Mobile, which continues to deliver class-leading experience to mobile workforces. New functionality is available in Alloy Blueprints (provides users with standardised, best-practice workflows and asset designs), In-Cab Street Cleansing and Domestic Waste have also been released and have directly lead to wins at Chorley, Hillingdon and Barnsley.

CURRENT TRADING AND OUTLOOK

As we enter a new financial year both businesses have started well. Vicon's sales pipeline for the first Quarter is 9% higher than the same time last year, and Yotta has a sales pipeline opportunity for the full year consistent with adding £1m to ARR during the financial year.

We operate two market-leading divisions in growing global markets with highly differentiated software products and clear strategies to continue to drive growth. Our continued strategic investment will support our organic growth initiatives, but we will also continue to explore acquisition opportunities which can accelerate our strategies within our chosen markets.

We are a global business with customers in over 70 countries worldwide. As such, we are a net exporter from the UK and currently we do not anticipate any negative impact to our business from the eventual outcome of Brexit. 2018/19 was a year of good growth for the business and with our targeted investments in organic opportunities bearing fruit and strengthened positions in all our markets we look forward to bringing yet more innovation, more SaaS and more growth in the year ahead.

Nick Bolton
CEO

FINANCIAL REVIEW

Income Statement

The Group reported revenues of £35.3m (FY18: £31.7m) representing a headline improvement of 11.7%. IFRS15 has now been fully implemented but in this year of transition it is worth noting that had revenues been recognised under IAS18 reported revenues would have been £0.3m higher.

With a third of the Group's revenues derived from the USA weighted toward the second half, this performance was affected by a foreign exchange headwind in the first half and a tailwind in the second half. The average rate for the year was $1.27 (FY18: $1.35) so revenue did benefit by £0.5m and taking account of this effect the underlying revenue growth was 10% (FY18: 11.0%). From an Adjusted PBT* perspective the net benefit was £0.2m given the Group remains naturally hedged to some extent given we have USA operations and purchase certain components in US dollars.

Gross Profit margin reduced slightly to 71.2% (FY18: 72.4%), reflecting a slight change in the mix of revenues, in real terms Gross profit improved year on year by £2.3m to £25.2m.

Reviewing the cost base within the Income Statement:

- Sales, Support and Marketing costs increased by £1.1m largely due to increased Sales and Marketing activity within Vicon during the year. Vicon operates in multiple geographical markets so additional expenditure was necessary to properly exploit business opportunities in these markets.

- Research & Development expensed through the Income Statement was £4.2m (FY18: £3.3m). Total R&D including capitalised development costs of £2.2m (FY18: £2.1m) was £6.4m (FY18: £5.4m), the overall increase reflected additional R&D resources and expenses largely within Vicon and a £0.4m increase in the R&D amortisation charge. The continual investment and innovation in product and services is necessary to maintain the Groups' competitive position. New products and services released during the financial year are described in the CEO review.

- The apparent increase in the Administrative Expenses is due to credit adjustments relating to the fair value of deferred consideration payable for the IMU acquisition of £0.2m (FY18 £0.6m), underlying Administration costs were therefore unchanged.

Adjusted PBT* for continuing operations of £5.5m (FY18: £5.2m) has been determined after adding back to the Statutory PBT £4.7m (FY18: £4.6m) non-cash moving items such as Amortisation of Acquired Intangibles, Share Option charge, impairment of investment in Pimloc, adjustment to fair value of deferred consideration payable for IMeasureU Limited and non-recurring exceptional items. A full reconciliation is available in Note 6.

Statement of Financial Position

Goodwill and Intangibles

The modest increase in Goodwill and Intangibles represents the net effect of capitalised R&D of £2.2m (FY18: £2.1m), amortisation of development costs £1.6m (FY18: £1.2m) and the amortisation of acquired intangibles of £0.6m (FY18: £0.7m).

Property, Plant and Equipment

Capital expenditure of £0.5m (FY18: £1.2m) returned to a more normal level in the financial year following the relocation of Vicon to new premises near Oxford and refurbishment of Yotta Offices in prior years. The depreciation charge was £0.6m (FY18: £0.6m).

Investments

The year on year movement relates to the impairment of our investment in Pimloc Limited. The carrying value has been reduced by our share of post-acquisition losses from Pimloc's trading. The net effect accounts for the movement year on year.

Inventories

The inventory position at the end of the financial year was £3.2m (FY18: £2.4m). The movement is largely attributed to additional inventory of £0.5m held to avoid disruption arising from Brexit.

Trade and other receivables

At the year-end Trade and other receivables increased to £11.7m (FY18: £10.6m). The overall increase related primarily to Accounts Receivable following particularly strong September revenues in the USA.

Current Liabilities

The year on year increase in Trade and other payables is accounted for by an increase in Trade Payables at the year-end at £2.9m (FY18: £1.6m) which is trading pattern related to goods shipped in September and an increase in Deferred Income £4.9m (FY18: £3.5m) arising from the treatment under IFRS15 for the most part.

Non-current liabilities

The year on year movement is accounted for by a reduction in the Contingent Consideration payable in relation to the acquisition of IMeasureU Limited to £0.0m (FY18: £0.3m) and an increase in Deferred Income to £0.5m (FY18: £0.3m)

Statement of Cashflows

The Group finished the year with cash of £13.8m (FY18: £12.2m). Cash generated from operating activities was £7.7m (FY18: £6.7m). The deployment of this cash included the 2018 Final Dividend and Special Dividend payment totalling £3.1m (FY18: £1.5m). Proceeds from the disposal of subsidiary undertakings was £0.0m (FY18: £1.3m), in the prior year the Group disposed of Yotta Surveying.

TAX

The Group tax charge this year was £0.5m (FY18: £0.6m) representing a blended rate of 10.8% (FY18: 12.1%). This decrease is due in part to lower US based profits where the marginal rate of tax is 25% (FY18: 25%). The level of Group R&D activities in the UK where the marginal rate of tax of 19% (FY18: 19%) continues to have a beneficial effect on the level of corporation tax payable in the UK given the reliefs available.

The Deferred Tax Asset increased to £0.4m (FY18: £0.2m) due to an increase in the notional gain on exercise of outstanding options compared to last year whilst the Deferred Tax Liability remained relatively unchanged at £1.8m (FY18: £1.8m).

David Deacon
CFO

** Profit Before Tax before group recharges adjusted for share-based payments, amortisation of intangibles arising on acquisition, fair value adjustments to IMeasureU purchase consideration, impairment of Pimloc investment and exceptional costs.*

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 £'000	2018* £'000
Revenue	3	**35,350**	31,656
Cost of sales		**(10,166)**	(8,743)
Gross profit		**25,184**	22,913
Sales, support and marketing costs		**(8,663)**	(7,526)
Research and development costs		**(4,184)**	(3,336)
Administrative expenses		**(7,875)**	(7,467)
Other operating income		**202**	173
Operating profit		**4,664**	4,757
Finance income		**66**	73
Finance expense		**(2)**	(172)
Share of post-tax loss of equity accounted associate		**(59)**	(75)
Profit before taxation	3, 5	**4,669**	4,583
Taxation	7	**(504)**	(556)
Profit from continuing operations		**4,165**	4,027
Profit/(loss) from discontinued operations, net of tax		**13**	(484)
Profit attributable to owners of the parent during the year		**4,178**	3,543
Earnings per share for profit on continuing operations attributable to owners of the parent during the year			
Basic earnings per ordinary share (pence)	8	**3.33p**	3.23p
Diluted earnings per ordinary share (pence)	8	**3.24p**	3.12p
Earnings per share for profit on total operations attributable to owners of the parent during the year			
Basic earnings per ordinary share (pence)	8	**3.34p**	2.84p
Diluted earnings per ordinary share (pence)	8	**3.25p**	2.75p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Group 2019 £'000	Group 2018* £'000
Net profit for the year	**4,178**	3,543
Other comprehensive income		
Items that will or may be reclassified to profit or loss		
Exchange differences on retranslation of overseas subsidiaries	**271**	173
Total other comprehensive income	**271**	173
Total comprehensive income for the year attributable to owners of the parent	**4,449**	3,716

*The Group has applied IFRS 15 using the cumulative effect method. Under this method the comparative information is not restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Group 2019 £'000	Group 2018* £'000
Non-current assets		
Goodwill and intangible assets	**12,449**	12,361
Property, plant and equipment	**2,280**	2,496
Financial asset - investments	**98**	157
Deferred tax asset	**405**	230
	15,232	15,244
Current assets		
Inventories	**3,236**	2,403
Trade and other receivables	**11,687**	10,576
Current tax debtor	**177**	101
Cash and cash equivalents	**13,837**	12,229
	28,937	25,309
Current liabilities		
Trade and other payables	**(10,733)**	(8,167)
	(10,733)	(8,167)
Net current assets	**18,204**	17,142
Total assets less current liabilities	**33,436**	32,386
Non-current liabilities		
Other liabilities	**(462)**	(631)
Provisions	**(16)**	(8)
Deferred tax liability	**(1,797)**	(1,777)
	(2,275)	(2,416)
Net assets	**31,161**	29,970
Capital and reserves attributable to owners of the parent		
Share capital	**313**	312
Shares to be issued	**65**	65
Share premium account	**17,417**	17,327
Retained earnings	**12,851**	12,022
Foreign currency translation reserve	**515**	244
Total equity shareholders' funds	**31,161**	29,970

*The Group has applied IFRS 15 using the cumulative effect method. Under this method the comparative information is not restated.

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Group 2019 £'000	Group 2018* £'000
Cash flows from operating activities		
Operating profit/(loss) from continuing operations	**4,664**	4,757
Operating profit/(loss) from discontinued operations	**21**	(483)
Group operating profit/(loss)	**4,685**	4,274
Depreciation and amortisation	**2,761**	2,479
Loss on the sale of property, plant and equipment	**-**	3
Loss on disposal of subsidiary undertaking	**-**	445
Share-based payments	**264**	323
Exchange adjustments	**134**	89
(Increase)/decrease in inventories	**(823)**	941
(Increase)/decrease in receivables	**(949)**	(184)
Increase/(decrease) in payables	**1,600**	(1,635)
Cash generated from operating activities	**7,672**	6,735
Tax paid	**(369)**	(727)
Net cash from operating activities	**7,303**	6,008
Cash flows from investing activities		
Purchase of property, plant and equipment	**(467)**	(1,243)
Purchase of intangible assets	**(2,196)**	(2,125)
Proceeds on disposal of property, plant and equipment	**79**	154
Interest received	**23**	73
Interest paid	**(2)**	-
Interest arising on contingent consideration	**43**	(172)
Proceeds on disposal of subsidiary undertakings net of cash disposed of	**-**	1,295
Acquisition of subsidiary undertaking net of cash acquired	**(141)**	(76)
Net cash used in investing activities	**(2,661)**	(2,094)
Cash flows from financing activities		
Issue of ordinary shares	**91**	29
Equity dividends paid	**(3,125)**	(1,499)
Net cash used in financing activities	**(3,034)**	(1,470)
Net increase/(decrease) in cash and cash equivalents	**1,608**	2,444
Cash and cash equivalents at beginning of the period	**12,229**	9,785
Cash and cash equivalents at end of the period	**13,837**	12,229

*The Group has applied IFRS 15 using the cumulative effect method. Under this method the comparative information is not restated.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2019

Group	Share capital £'000	Shares to be issued £'000	Share premium account £'000	Retained earnings £'000	Foreign currency translation reserve £'000	Total £'000
Balance as at 1 October 2017*	308	65	17,302	9,549	71	27,295
Net profit for the year	-	-	-	3,543	-	3,543
Exchange differences on retranslation of overseas subsidiaries	-	-	-	-	173	173
Transactions with owners:						
Tax recognised directly in equity in relation to employee share option schemes	-	-	-	106	-	106
Dividends	-	-	-	(1,499)	-	(1,499)
Issue of share capital	4	-	25	-	-	29
Share based payment charge	-	-	-	323	-	323
Balance as at 30 September 2018 as previously stated	312	65	17,327	12,022	244	29,970
Impact of change in accounting policy-IFRS 15 Revenue from contracts with customers	-	-	-	(664)	-	(664)
Balance as at 1 October 2018 as restated	**312**	**65**	**17,327**	**11,358**	**244**	**29,306**
Net profit for the year	**-**	**-**	**-**	**4,178**	**-**	**4,178**
Exchange differences on retranslation of overseas subsidiaries	**-**	**-**	**-**	**-**	**271**	**271**
Transactions with owners:						
Tax recognised directly in equity in relation to employee share option schemes	**-**	**-**	**-**	**176**	**-**	**176**
Dividends	**-**	**-**	**-**	**(3,125)**	**-**	**(3,125)**
Issue of share capital	**1**	**-**	**90**	**-**	**-**	**91**
Share based payment charge	**-**	**-**	**-**	**264**	**-**	**264**
Balance as at 30 September 2019	**313**	**65**	**17,417**	**12,851**	**515**	**31,161**

*The Group has applied IFRS 15 using the cumulative effect method. Under this method the comparative information is not restated.

1. Basis of preparation of the financial information

The financial information in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of IFRSs, this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRS on 3rd December 2019.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies which affect the reported amount of assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reported period. Although the estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. There have been no significant changes to the Group's accounting policies during the year.

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 for the years ended 30 September 2019 and 30 September 2018, but is derived from those accounts. The statutory accounts for the year ended 30 September 2018 have been delivered to the Registrar of Companies and those for the year ended 30 September 2019 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts: their report was unqualified, did not contain references to any matters to which the auditors drew attention by way of emphasis and did not contain a statement under Section 498 of the Companies Act 2006 for the year ended 30 September 2019 or 30 September 2018.

2. Basis of consolidation

The consolidated financial information incorporates the results of the Company and all of its subsidiary undertakings drawn up to 30 September 2019.

3. Revenue from contracts with customers

	Revenue	
	2019	2018
	£'000	£'000
Vicon UK	**14,638**	13,964
Vicon USA	**13,692**	10,418
Vicon Group	**28,330**	24,382
Yotta	**7,020**	7,274
Continuing operations	**35,350**	31,656
Yotta Surveying	**-**	1,693
Discontinued operations	**-**	1,693
Oxford Metrics Group	**35,350**	33,349

Timing of the transfer of goods and services	Vicon UK £'000	2019 Vicon USA £'000	Yotta £'000	Total £'000
Point in time	**13,507**	**11,802**	**1,741**	**27,050**
Over time	**1,131**	**1,890**	**5,279**	**8,300**
Oxford Metrics Group	**14,638**	**13,692**	**7,020**	**35,350**

Contract Counterparties				
Direct to consumers	**4,170**	**12,638**	**6,811**	**23,619**
Third party distributor	**10,468**	**1,054**	**209**	**11,731**
Oxford Metrics Group	**14,638**	**13,692**	**7,020**	**35,350**

By destination				
UK	**1,662**	**-**	**6,577**	**8,239**
Germany	**969**	**-**	**24**	**993**
Italy	**327**	**-**	**-**	**327**
Netherlands	**585**	**-**	**142**	**727**
France	**535**	**-**	**-**	**535**
Switzerland	**285**	**-**	**-**	**285**
Rest of Europe	**858**	**-**	**4**	**862**
Canada	**-**	**905**	**-**	**905**
USA	**646**	**12,099**	**-**	**12,745**
Rest of North America	**-**	**110**	**-**	**110**
Australia	**327**	**-**	**218**	**545**
Hong Kong	**2,788**	**-**	**-**	**2,788**
Japan	**3,570**	**-**	**-**	**3,570**
South Korea	**1,464**	**-**	**-**	**1,464**
Rest of Asia Pacific	**565**	**-**	**-**	**565**
Other	**57**	**578**	**55**	**690**
Oxford Metrics Group	**14,638**	**13,692**	**7,020**	**35,350**

	2019 £'000	2018 £'000
Vicon revenue by market		
Engineering	**6,015**	4,367
Entertainment	**6,802**	6,322
Life sciences	**13,637**	12,860
Established markets	**26,454**	23,549
Adjacent verticals	**1,876**	833
Vicon Group*	**28,330**	24,382

Group revenue by type		
Sale of hardware	**23,710**	21,687
Sale of software	**7,023**	4,289
Rendering of services	**4,618**	5,680
Continuing operations	**35,350**	31,656
Sale of software	**-**	12
Rendering of services	**-**	1,681
Discontinued operations	**-**	1,693
Oxford Metrics Group	**35,350**	33,349

Yotta revenue by type		
Software and related services	**7,020**	7,274
Continuing operations	**7,020**	7,274
Surveying services	**-**	1,693
Discontinued operations	**-**	1,693
Yotta Group	**7,020**	8,967

*This additional information is provided to the Chief Operating Decision Maker. Further analysis by market is not available.

	Revenue 2019 £'000	2018 £'000
By destination		
UK	**8,239**	9,978
Germany	**993**	1,078
Italy	**327**	159
Netherlands	**727**	662
France	**535**	348
Switzerland	**285**	409
Rest of Europe	**862**	1,797
Canada	**905**	420
USA	**12,745**	9,357
Rest of North America	**110**	123
Australia	**545**	685
Hong Kong	**2,788**	1,766
Japan	**3,570**	3,257
South Korea	**1,464**	305
Rest of Asia Pacific	**565**	634
Other	**690**	678
Continuing operations	**35,350**	31,656
UK	**-**	1,693
Discontinued operations	**-**	1,693
Oxford Metrics Group	**35,350**	33,349
By origin		
UK	**21,268**	20,849
North America	**13,692**	10,419
Asia Pacific	**390**	388
Continuing operations	**35,350**	31,656
UK	**-**	1,693
Discontinued operations	**-**	1,693
Oxford Metrics Group	**35,350**	33,349

Contract balances

	2019	
	Contract assets £'000	**Contract liabilities £'000**
At 1 October 2018	**666**	**3,848**
Cumulative catch up adjustments	**-**	**872**
Transfers from contract assets to trade receivables	**(3,944)**	**-**
Amounts included in contract liabilities recognised as revenue during the period	**-**	**(8,486)**
Excess of revenue recognised over cash during the period	**4,065**	**-**
Cash received in advance of performance and not recognised as revenue during the period	**-**	**9,173**
Foreign exchange differences	**-**	**(37)**
At 30 September 2019	**787**	**5,370**

Contract assets and contract liabilities are included within trade and other assets and trade and other payables respectively on the face of the statement of financial position. They arise primarily from the Group's software and support contracts which are delivered over time and where the cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contract.

Remaining performance obligations

The majority of the Group's contracts are for the delivery of goods and services within the next 12 months for which the practical expedient in paragraph 121(a) of IFRS 15 applies. However, some software and support contracts are for a period greater than 12 months and the amount of revenue that will be recognised in future periods on these contracts is as follows:

At 30 September 2019	**2020 £'000**	**2021 £'000**	**2022 £'000**	**2023 £'000**	**2024 £'000**	**2025 £'000**
Support contracts	**2,410**	**753**	**430**	**285**	**250**	**257**
Software contracts	**752**	**681**	**492**	**133**	**10**	**-**
	3,162	**1,434**	**922**	**418**	**260**	**257**

4. Segmental analysis

Segment information is presented in the financial information in respect of the Group's business segments, which are reported to the Chief Operating Decision Maker (CODM). The Group has identified the Board of Directors of Oxford Metrics plc, formerly OMG plc, ("the Board") as the CODM. The business segment reporting reflects the Group's management and internal reporting structure.

The Group comprises the following business segments:

- Vicon Group: This is the development, production and sale of computer software and equipment for the engineering, entertainment and life science markets; and

- Yotta Group: This is the provision of software and services for the management of infrastructure assets and highways surveying services (which were sold during the year) for the Government Agencies, Local Government and major infrastructure contractors. Yotta surveying was sold during the prior year and is shown within discontinued operations.

Other unallocated costs represent head office expenses not recharged to subsidiary companies.

Inter segment transfers are priced along the same lines as sales to external customers, with an appropriate discount being applied to encourage use of Group resources. This policy was applied consistently throughout the current and prior year. There were no significant inter segment transfers during the current or prior year.

Intra segment sales between Vicon UK and Vicon USA are eliminated prior to management and internal reporting, and hence are not shown separately in the analysis below. The total sales from Vicon UK to Vicon USA in the year ended 30 September 2019 are £7,630,000 (2018: £4,414,000).

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories and trade and other receivables. Unallocated assets comprise deferred taxation, investments and cash and cash equivalents.

	2019				2018			
	Adjusted profit/(loss) before tax £'000	**Adjusting items £'000**	**Group recharges £'000**	**Profit/(loss) before tax £'000**	Adjusted profit/(loss) before tax £'000	Adjusting items £'000	Group recharges £'000	Profit/(loss) before tax £'000
Vicon UK	**2,354**	**(125)**	**3,248**	**5,477**	2,916	105	1,309	4,330
Vicon USA	**5,760**	**-**	**(4,976)**	**784**	4,372	-	(3,195)	1,177
Vicon Group	**8,114**	**(125)**	**(1,728)**	**6,261**	7,288	105	(1,886)	5,507
Yotta	**(230)**	**(469)**	**(808)**	**(1,507)**	437	(472)	(993)	(1,028)
Unallocated	**(2,421)**	**(200)**	**2,536**	**(85)**	(2,556)	(219)	2,879	104
Continuing operations	**5,463**	**(794)**	**-**	**4,669**	5,169	(586)	-	4,583
OMG Life Group	**21**	**-**	**-**	**21**	51	-	-	51
Yotta Surveying	**-**	**-**	**-**	**-**	(89)	(445)	-	(534)
Unallocated	**-**	**-**	**-**	**-**	-	-	-	-
Discontinued operations	**21**	**-**	**-**	**21**	(38)	(445)	-	(483)
Oxford Metrics Group	**5,484**	**(794)**	**-**	**4,690**	5,131	(1,031)	-	4,100

Adjusted profit before tax is detailed in note 6.

	Segment depreciation and amortisation 2019 £'000	2018 £'000
Vicon UK	**1,898**	1,525
Vicon USA	**64**	57
Vicon Group	**1,962**	1,582
Yotta	**788**	775
Unallocated	**13**	21
Continuing operations	**2,763**	2,378
Yotta Surveying	**-**	101
Discontinued operations	**-**	101
Oxford Metrics Group	**2,763**	2,479

	Non-current assets		Additions to non-current assets		Carrying amount of segment assets		Carrying amount of segment liabilities	
	2019 £'000	2018 £'000	**2019 £'000**	2018 £'000	**2019 £'000**	2018 £'000	**2019 £'000**	2018 £'000
Vicon UK	**8,642**	8,899	**1,667**	2,006	**22,687**	22,522	**(5,781)**	(4,485)
Vicon USA	**838**	797	**55**	164	**8,824**	5,995	**(2,973)**	(1,698)
Vicon Group	**9,480**	9,696	**1,722**	2,170	**31,511**	28,517	**(8,754)**	(6,183)
Yotta Group	**5,366**	5,212	**912**	1,177	**13,069**	16,093	**(3,852)**	(3,910)
Unallocated	**386**	328	**29**	14	**5,641**	1,987	**(402)**	(490)
OMG Life Group*	**-**	8	**-**	-	**(6,052)**	(6,044)	**-**	-
Oxford Metrics Group	**15,232**	15,244	**2,663**	3,361	**44,169**	40,553	**(13,008)**	(10,583)

* The negative balance within segment assets represents a cash overdraft which is part of the Group's cash offset facility.

5. Profit for the year

The profit for the year is stated after charging / (crediting):

	2019	2018
	£'000	£'000
Loss on disposal of property, plant and equipment	**-**	3
Depreciation of property, plant and equipment - owne	**621**	570
Amortisation of customer relationships	**314**	314
Amortisation of intellectual property	**245**	350
Amortisation of development costs	**1,581**	1,245
Share based payments – equity settled	**264**	323
Operating lease charges – land and buildings	**607**	567
Foreign exchange loss	**98**	213
Grant income receivable	**(202)**	(173)

6. Reconciliation of adjusted profit/(loss) before tax

The adjusted profit/(loss) before tax is considered by the Board to more accurately reflect the underlying operating performance of the business on a go-forward basis and complements the statutory measure as reported in the Consolidated Income Statement.

The reconciliation of profit/(loss) before tax to adjusted profit/(loss) provided below includes items that are:

- non-recurring in nature, such as redundancy costs incurred from time to time, acquisition costs and results of the Group's equity accounted associate, which are not core to operations or future operating performance.

- non-cash moving items which arise from the accounting treatment of share based payments and the amortisation of acquired intangibles which affect neither future operating performance nor cash generation.

The above definition has been consistently applied historically and is the measure by which the market generally judges PBT performance.

	2019	2018
	£'000	£'000
Profit before tax – continuing operations	**4,669**	4,583
Share based payments – equity settled	**264**	323
Amortisation of intangibles arising on acquisition	**541**	645
Redundancy costs	**125**	-
Adjustment to fair value of contingent consideration payable and unwinding of discount factor	**(195)**	(457)
Share of post-tax loss of equity accounted associate	**59**	75
Adjusted profit before tax – continuing operations	**5,463**	5,169
Profit/(loss) before tax – discontinued operations	**21**	(483)
Loss on disposal of subsidiary undertaking	**-**	445
Adjusted profit/(loss) before tax – discontinued operations	**21**	(38)
Total adjusted profit before tax – all operations	**5,484**	5,131

The adjusted profit before tax for the Vicon and Yotta business segments which are included within the Group's continuing operations is shown in detail below;

	Vicon Group	
	2019	2018
	£'000	£'000
Profit before tax	**6,261**	5,507
Share based payments – equity settled	**78**	110
Amortisation of intangibles arising on acquisition	**242**	242
Adjustment to fair value of contingent consideration payable and unwinding of discount factor	**(195)**	(457)
Reapportion Group overheads	**1,728**	1,886
Adjusted profit before tax	**8,114**	7,288

	Yotta Group	
	2019	2018
	£'000	£'000
Loss before tax – continuing operations	**(1,507)**	(1,028)
Share based payments – equity settled	**45**	69
Amortisation of intangibles arising on acquisition	**299**	403
Redundancy costs	**125**	-
Reapportion Group overheads	**808**	993
Adjusted (loss)/profit before tax – continuing operations	**(230)**	437

7. Taxation

The tax is based on the profit for the year and represents:

	2019	2018
	£'000	£'000
United Kingdom corporation tax at 19.0% (2018: 19.0%)	**324**	164
Overseas taxation	**222**	230
Adjustments in respect of prior year	**1**	(25)
Current taxation	**547**	369
Deferred taxation	**(35)**	188
Total taxation expense	**512**	557

Continuing and discontinued operations:

	2019	2018
	£'000	£'000
Income tax expense from continuing operations	**504**	556
Income tax expense from discontinued operations excluding gain on sale	**8**	4
	512	560

Total tax expense:

	2019	2018
	£'000	£'000
Income tax expense excluding tax on sale of discontinued operations	**512**	560
Income tax credit on gain on sale of discontinued operations	**-**	(3)
	512	557

At 30 September 2019, the Group had an undiscounted deferred tax asset of £405,000 (2018: £230,000). The asset comprises principally short term timing differences and future tax relief available on the exercise of outstanding employee share options in Oxford Metrics plc.

Deferred tax assets and liabilities have been measured at an effective rate of 17% and 25% in the UK and USA, respectively (2018: 17% and 25%, respectively).

The inclusion of legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and then a further reduction to 17% from 1 April 2020 was substantively enacted on 15 September 2016.

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19.0% (2018: lower than the standard rate of 19%).

The differences are explained as follows:

	2019 £'000	2018 £'000
Profit on ordinary activities before tax	**4,690**	4,100
Expected tax income based on the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%)	**891**	779
Effect of:		
Expenses not deductible for tax purposes	**43**	(46)
Tax gain on sale of discontinued operation in excess of book gain	**-**	48
Unrelieved current year losses	**126**	179
Utilisation of losses brought forward	**(4)**	-
Adjustments to tax charge in respect of prior year current tax	**1**	(25)
Adjustments to tax charge in respect of prior year deferred tax	**-**	(19)
Higher rates on overseas taxation	**33**	93
Research and development tax credit	**(525)**	(487)
Effect of rate change	**(53)**	35
Total tax expense	**512**	557

8. Earnings/(loss) per share

	2019			2018		
	Earnings/ (loss) £'000	**Weighted average number of shares '000**	**Per share amount (pence)**	Earnings/ (loss) £'000	Weighted average number of shares '000	Per share amount (pence)
Continuing operations						
Basic earnings per share						
Earnings attributable to ordinary shareholders	**4,165**	**125,038**	**3.33**	4,027	124,569	3.23
Dilutive effect of employee share options	**-**	**3,250**	**(0.09)**	-	4,327	(0.11)
Diluted earnings per share	**4,165**	**128,288**	**3.24**	4,027	128,896	3.12
Discontinued operations						
Basic loss per share						
Loss attributable to ordinary shareholders	**13**	**125,038**	**0.01**	(484)	124,569	(0.39)
Dilutive effect of employee share options	**-**	**3,250**	**-**	-	4,327	-
Diluted loss per share	**13**	**128,288**	**0.01**	(484)	128,896	(0.39)
Total operations						
Basic earnings per share						
Earnings attributable to ordinary shareholders	**4,178**	**125,038**	**3.34**	3,543	124,569	2.84
Dilutive effect of employee share options	**-**	**3,250**	**(0.09)**	-	4,327	(0.09)
Diluted earnings per share	**4,178**	**128,288**	**3.25**	3,543	128,896	2.75

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares (share options). For share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscriptions rights and outstanding share based payment charges attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise price of the share options.

For discontinued operations the outstanding share options are anti-dilutive and therefore there is no difference between the basic and diluted loss per share.

9. Dividends

Equity - ordinary	2019 £'000	2018 £'000
Final 2017 paid in 2018 (1.20 pence per share)	**-**	1,499
Special paid in 2019 (1.00 pence per share)	**1,250**	-
Final 2018 paid in 2019 (1.50 pence per share)	**1,875**	-
	3,125	1,499

The directors are proposing a final dividend in respect of the financial year ended 30 September 2019 of 1.80 pence per share (2018: 1.50 pence per share) which will absorb an estimated £2,252,000 of shareholders' funds. This dividend will be paid on 28 February 2020 to shareholders who are on the register of members at close of business on 13 December 2019 subject to approval at the AGM. These dividends have not been accrued in these financial statements.

10. Copies of announcement

Copies of this announcement will be available from the Company's registered office at 6 Oxford Industrial Park, Yarnton, Oxfordshire, OX5 1QU and from the Company's website: www.oxfordmetrics.com.