

Online Blockchain PLC Half-year Report

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UK Regulatory (RNS & others)

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For immediate release

Online Blockchain PLC

("Online" or the "Company")

Unaudited Interim Results for the Six Months Ended 31 December 2018

Online today announces unaudited interim results for the six months ended 31 December 2018 (the "Period").

CEO's Statement

We have been working hard on our new blockchain products and are pleased to say that they will shortly be in test and generating revenue. It is of course hard to predict new products' success but we are very excited at their potential and we believe they will generate material revenue before the year end.

Cryptocurrencies and tokens have had an awful last 12 months and many companies have gone to the wall or cut dramatically back, because their business models relied on the value of coins rather than their use. Our developments are all based on use rather than the values of coins and this, we believe, is the key to producing Blockchain products with longevity.

Plus1, our initial coin, has been used by ADVFN to some success and we will be looking to expand the social media use case wider. Plus1 has been used by ADVFN to generate revenue and we have received our part of that in our turn. The sales and profit from this are not hard to understand. People use Plus1 to tip other ADVFN users and ADVFN takes a cut of that tip and pays OBC a cut of that cut. Plus1 is an affordable currency to make microtransactions with and you can trade the coin on a number of independent exchanges to sell the coin or buy some to tip with. This is an example of a working 'use case' and a way blockchain companies can provide a service to make money that cannot be easily done by another method. We have several cryptocurrencies for use on these kinds of projects and the projects to be released will take us into the realms of potentially mainstream adaptation.

You cannot mandate for having a software hit especially when you produce something new, but I could not be more excited about the potential of these products even after over 35 years of producing innovative software.

The first of these new products are in test with the initial test community as I write, and this group will be widened in the coming weeks. The second products will follow shortly in the same way.

This will mean that in weeks OBC will not only have four listed Crypto-currencies but two live Blockchain products that we hope may quickly begin to generate some initial revenues.

As such the second half of the year should be extremely exciting as we shift into a product marketing phase.

Our investment in ADVFN Plc remains our largest asset and we show below an extract from the ADVFN Plc interim financial statements:

ADVFN PLC - Chief Executive's Statement

The first half of the year has been a period of significant change for ADVFN. Our users will have noticed the addition of a strong, innovative Blockchain information offering that provides our global userbase with exhaustive coverage of coins and tokens across a plethora of exchanges. Meanwhile, we have significantly re-engineered the site to cope, not only with the exciting but technically challenging markets but with the ever-increasing demands of markets forever pushing out more data. While nothing sits still for long in the financial markets we provide information about, we try and by and large succeed in doing this without disrupting the business.

Our re-engineering of the ADVFN website positions us for growth especially on the eventual return of positive investor sentiment towards blockchain cryptocurrencies after the year-long 'crypto winter' bear market. It might seem hard for long term investors in stocks to grasp the opportunity but in our opinion cryptocurrencies will, in a few years, be the preferred investment market for the generation called 'the millennials.' That futurism aside, cryptocurrency is already a revenue generator for us and has been the "tail-wind" making up for the regulatory "head-winds" affecting our equity-focused customers via the ESMA regulations forcing the spread betting community to restructure how they do business.

We have made a material investment thus far in our website and this has added a further diversification to our product mix as well as a chance to be at the forefront as and when Bitcoin and cryptocurrencies catch the imagination of the traders and investors again, as we believe it will in either later in 2019 or 2020.

After much preparation, and after seeing the first fruits of our recent efforts turn into revenue, this has helped us maintain our business in an environment where our customers have been buffeted by new regulation and difficult markets and we continue to look forward to the future with excitement.

ADVFN Plc - Financial performance for the six months ended 31 December 2018

Key financial performance for the period has been summarised as follows:

	Six Months ended 31 December 2018	Six Months ended 31 December 2017
	GBP'000	GBP'000
Revenue	4,265	4,282
(Loss)/profit for the period	(214)	24
Operating (loss)/profit	(210)	24
(Loss)/profit per share	(0.84 p)	0.09 p

Clement Chambers

CEO

27 March 2019

A copy of this announcement is available on the Company's website, at www.onlineblockchain.io

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The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. The person who arranged for the release of this announcement on behalf of the Company was Michael Hodges, Director.

Consolidated statement of comprehensive income

for the six months ended 31 December 2018

	Six months ended 31 December 2018 Unaudited GBP'000	Six months ended 31 December 2017 Unaudited GBP'000	Year ended 30 June 2018 Audited GBP'000
Revenue	26	32	56
Cost of sales	(7)	-	(2)
	-----	-----	-----
	19	32	54
Share based payment	(14)	(3)	(15)
Other administrative expenses	(243)	(21)	(297)
	-----	-----	-----
Total administrative expenses	(257)	(24)	(312)
	-----	-----	-----
Operating (loss)/profit	(238)	8	(258)
Finance income and expense	-	(15)	(1)
Share of post-tax loss of equity accounted associate	(38)	-	71
	-----	-----	-----

Loss before taxation		(276)	(7)	(188)
Taxation		-	-	-
		-----	-----	-----
Loss and total comprehensive income for the period attributable to shareholders of the parent		(276)	(7)	(188)
		=====	=====	=====
Loss per share				
Basic loss per ordinary share	2	(3.19 p)	(0.09 p)	(2.32 p)
Diluted loss per ordinary share	2	(3.19 p)	(0.09 p)	(2.32 p)
		=====	=====	=====

Consolidated balance sheet

at 31 December 2018

		31 December	31 December
		2018	2017
		Unaudited	Unaudited
		GBP'000	GBP'000
30 June			
2018			
Audited			
Assets	Note		
Non-current assets			
Property, plant and equipment		56	-
65			
Other receivables		6	-
6			
Investment in associate	3	1,210	1,174
1,243			
Other equity investments		4	-
-			
		-----	-----
		1,276	1,174
1,314			
Current assets			
Trade and other receivables		214	159
183			
Cash and cash equivalents		389	-
652			
		-----	-----
		603	159
835			
Total assets		1,879	1,333
2,149			

=====	=====	=====
Equity and liabilities		
Equity		
Issued capital	3,292	3,242
3,292		
Share premium	3,155	2,205
3,155		
Share based payment reserve	66	39
51		
Retained earnings	(4,680)	(4,226)
(4,409)		
-----		-
	1,833	1,260
2,089		
Current liabilities		
Trade and other payables	46	24
60		
Borrowings (bank overdraft)	-	49
-		
-----		-
	46	73
60		
Total equity and liabilities	1,879	1,333
2,149		
=====	=====	=====

Statement of changes in equity

at 31 December 2018

Retained earnings	Total equity	Share capital	Share premium	Share based payment reserve
GBP'000	GBP'000	GBP'000	GBP'000	GBP'000
At 1 July 2017		3,242	2,205	36
(4,219)	1,264			
Equity settled share options		-	-	3
-	3			
Transactions with owners		-	-	3
-	3			
Loss for the period after				

tax	-	-	-
(7) (7)			
Total comprehensive loss	-	-	-
(7) (7)			
-----	-----	-----	-----
At 31 December 2017	3,242	2,205	39
(4,226) 1,260			
Equity settled share options	-	-	12
- 12			
Issue of shares	50	950	-
- 1,000			
-----	-----	-----	-----
Transactions with owners	50	950	12
- 1,012			
Net asset movements of associates	-	-	-
(2) (2)			
Loss for the period after tax	-	-	-
(181) (181)			
-----	-----	-----	-----
Total comprehensive loss	-	-	-
(181) (181)			
-----	-----	-----	-----
At 30 June 2018	3,292	3,155	51
(4,409) 2,089			
Equity settled share options	-	-	15
- 15			
-----	-----	-----	-----
Transactions with owners	-	-	15
- 15			
Net asset movements of associate	-	-	-
5 5			
Total comprehensive loss for the period	-	-	-
(276) (276)			
-----	-----	-----	-----
At 31 December 2018	3,292	3,155	66
(4,680) 1,833			

Consolidated cash flow statement

for the six months ended 31 December 2018

	Six months ended	Six months ended
Year ended	31 December 2018	31 December 2017
	Unaudited	Unaudited
	GBP'000	GBP'000
Cash flows from operating activities		
Loss for the period (188)	(276)	(7)
Profit/(loss) from equity accounted associate (71)	38	-
Net finance income in the income statement	-	-
1		
Depreciation of property, plant & equipment	12	-
5		
Share based payments	15	3
15		
(Increase)/decrease in trade and other receivables	(31)	(34)
(64)		
(Decrease)/increase in trade and other payables	(14)	(13)
23		

Net cash used by operating activities (279)	(256)	(51)
Income tax receivable	-	-
-		

Net generated by operating activities (279)	(256)	(51)
Cash flows from financing activities		
Issue of share capital	-	-
1,000		
Interest paid	-	-
(1)		

Net cash generated/(used) by financing activities	-	-
999		
Cash flows from investing activities		

Investment in equity shares	(4)	-
-		
Payments for property plant and equipment (70)	(3)	-

Net cash used by investing activities (70)	(7)	-

(Decrease)/increase in cash and cash equivalents	(263)	(51)
650		
Cash and cash equivalents at the start of the period	652	2
2		

Cash and cash equivalents at the end of the period	389	(49)
652		
=====		

Cash and cash equivalents

	Six months ended 31 December 2018 Unaudited GBP'000	Six months ended 31 December 2017 Unaudited GBP'000	Year ended 30 June 2018 Audited GBP'000
Cash at bank	389	-	652
Borrowings (bank overdraft)	-	(49)	-
	-----	-----	-----
	389	(49)	652
	=====	=====	=====

Notes to the interim statements

1. Legal status and activities

Online Blockchain Plc ("the Company") is principally acting as an incubator and developer of businesses in internet and information-based technologies including developers, administrators and custodians of blockchains and cryptocurrencies.

The company is a public limited liability company incorporated and domiciled in England and Wales. The address of its registered office is Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA.

The Company is quoted on the Alternative Investment Market ("AIM") of the London Stock Exchange.

2. Basis of preparation

The unaudited consolidated financial information is for the six month period ended 31 December 2018. The financial information does not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2018, which were prepared under IFRS as adopted by the European Union (EU).

The accounting policies adopted in this report are consistent with those of the annual financial statements for the year to 30 June 2018 except as described below.

The financial statements are presented in Sterling (GBP) rounded to the nearest thousand except where specified.

The interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the company for the year ended 30 June 2018.

The interim financial information has been prepared on the going concern basis which assumes the company will continue in existence for the foreseeable future. The remaining cash reserves are adequate to meet the Group's liabilities for the next 12 months. No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. Accordingly, the directors, believe it is appropriate for the interim financial statement to be prepared on the going concern basis.

The interim financial information has not been audited nor has it been reviewed under ISRE 2410 of the Auditing Practices Board. The financial information presented does not constitute statutory accounts as defined by section 434 of the Companies Act 2006. The company statutory accounts for the year to 30 June 2018 have been filed with the Registrar of Companies. The auditors, Grant Thornton UK LLP reported on these accounts and their report was unqualified and did not contain a statement under section 498(2) or Section 498(3) of the Companies Act 2006.

New standards adopted in the period:

IFRS 15 - Revenue

The standard was adopted for the period commencing 1 July 2018. The standard defines a new five step model to recognise revenue from customers and will apply to the Group as follows:

Fees charged for marketing and advertising - revenue is recognised at the completion of the project.

Mining - revenue from mining crypto-currency is recognised at receipt of cash.

IFRS 9 Financial Instruments

The standard was adopted for the period commencing 1 July 2018. The treatment of any doubtful receivables changed to reflect an expected credit loss rather than an incurred credit loss.

The adoption of the above standards has not had a material impact on the financial statements.

New standards not yet adopted:

IFRS 16 Leases

The standard will be adopted in the period commencing 1 July 2019. Under the provisions of the new standard most leases, including the majority of those previously classified as operating leases, will be brought onto the financial position statement as a right-of-use asset and as an

offsetting lease liability. The directors are considering the impact of the new standards on the Group's accounting policies and more information will be provided in the annual report for the year ended 30 June 2019.

Notes to the interim statements

3. Loss per ordinary share

	Six months to 31 Dec 2018 GBP'000	Six months to 31 Dec 2017 GBP'000	Year to 30 June 2018 GBP'000
Loss for the period	(276)	(7)	(188)
	Shares	Shares	Shares
Weighted average number of Ordinary shares	8,662,348	7,662,348	8,130,841
Dilutive effect of options	-	-	-
	-----	-----	-----
Weighted average Ordinary shares for diluted earnings per share	8,662,348	7,662,348	8,130,841
	=====	=====	=====
Loss per share			
Basic earnings per share	(3.19 p)	(0.09 p)	(2.32 p)
Diluted earnings per share	(3.19 p)	(0.09 p)	(2.32 p)
	=====	=====	=====

Where a loss occurs the diluted loss per share does not differ from the basic loss per share as the exercise of share options would have the effect of reducing the loss per share and is therefore not dilutive.

In addition, where a profit has been recorded but the average share price for the period remains under the exercise price the existence of options is not dilutive.

4. Investments in associate undertakings

	Six months ended 31 December 2018 GBP'000	Six months ended 31 December 2017 GBP'000	Year ended 30 June 2018 GBP'000
At historical cost	868	868	868
At market value	1,175	1,451	1,428
Percentage ownership	17.98%	17.98%	17.98%
Total net assets of ADVFN Plc	1,902	1,659	2,083
Percentage ownership interest held by the group	17.98%	17.98%	17.98%
Share of net assets of ADVFN			

Plc	342	306	375
Cost of investment in ADVFN			
Plc	868	868	868
	-----	-----	-----
	1,210	1,174	1,243
	=====	=====	=====

Notes to the interim statements

Investments in associate undertakings (continued)

The Company owns 17.98% (2017: 17.98%) of ADVFN plc (ADVFN) which is incorporated in England and Wales and whose principal activity is the development and provision of financial information, primarily via the internet, research services and the development and exploitation of ancillary internet sites.

The investment in ADVFN plc is treated for the purposes of financial reporting as an associate due to the common directorships held between ADVFN plc and On-line plc and the resulting level of significant influence over the associate.

5. Events after the balance sheet date

There are no events of significance occurring after the balance sheet date to report.

6. Dividends

The directors do not recommend the payment of a dividend.

7. Financial statements

Copies of these accounts are available from the Company's registered office at Suite 27, Essex Technology Centre, The Gables, Fyfield Road, Ongar, Essex, CM5 0GA or from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

www.companieshouse.gov.uk

and from the Online Blockchain plc website:

www.onlineblockchain.io

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