

25 March 2014

**Concurrent Technologies Plc
Preliminary Results for the year ended 31 December 2013**

Concurrent Technologies Plc (the "Company"), a world leading specialist in the design and manufacture of high-end embedded computer products, for critical applications in the defence, aerospace, transportation, telecommunications, scientific and industrial markets, announces preliminary results for the year to 31 December 2013.

Financial Highlights

- Turnover £11.9m (2012: £12.8m)
- EBITDA £1.9m (2012: £3.5m)
- Profit before Tax £0.5m (2012: £2.0m)
- Cash in business plus deposits increased to £4.9m (2012: £4.3m)
- EPS 1.02 pence (2012: 2.75 pence)
- Dividend increased by 2.94% to 1.75 pence per share for the year (2012: 1.70 pence)

Operational Highlights

- 7 new high performance processor boards released, featuring the latest technology including 4th generation Intel® Core™ processors and new Intel® Atom™ processors.
- Additional development of software and middleware to provide high technology intercommunication and security.
- Improvement in sales to defence customers despite setbacks due to export licencing requirements.
- Further significant growth in sales of product using AMC architecture in telecoms.
- Continued improvement in VPX™ architecture product sales mainly for defence applications.

Michael Collins, Chairman, commented:

"Against a challenging export environment, we have delivered another year of profitability. Our objective remains to design more innovative products for complex, high technology, low to medium volume and high margin applications, including versions for use in harsh environments. We also aim to further enhance the capabilities of these products with new and complementary software packages to provide high-speed data transfer, ease of integration and security. We will continue to be an early adopter of the latest technology from Intel and maintain our investment in R&D to ensure an expansion of our range of advanced technology products. To augment our R&D capabilities and to complement our UK and Indian design centres, we intend to establish an R&D facility in Massachusetts, USA."

"We know that our diverse product range and the continuing investment in applying new technology to our product ranges enhances the Group's position in a variety of different markets. The probable improvement in the situation regarding export licence restrictions is also expected to improve the Group's prospects during 2014."

Annual General Meeting

The annual general meeting of Concurrent Technologies Plc will be held at the Company's offices at 4 Gilberd Court, Newcomen Way, Colchester, Essex, CO4 9WN, on 27 May 2014 at 2:30pm.

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Extracts from the Strategic Report

Review of Operations

As announced prior to the last Interim Results, one of the main challenges during this year has been the problem of the licencing of advanced technology exports to emerging markets where we were expecting sales growth. These exporting issues have been raised with the Secretary of State for Business, Innovation and Skills (BIS). The Company continues to work with BIS officials who are reviewing the current system of control to determine whether the affected products may be moved to a more flexible export licensing system such as that which exists in the USA.

These export licencing issues have had a negative impact on the results for the year and may continue to adversely affect trading relationships with some of our customers. However, although the report on the review by BIS was delayed, due to critical world events, we have made good progress and the Board is optimistic that the more flexible licensing system that we need from BIS will be introduced by the end of June 2014.

The results for this year include a write down of our R&D design assets by £842,783 (original estimate £1.3m), substantially due to the effects on possible future orders caused by UK export licencing.

The Group EBITDA (measured as Operating Profit plus Depreciation and Amortisation) for 2013 was £1,920,585 (2012: £3,479,094). The reduction was due to the lower level of sales, less capitalisation and increased impairments of R&D, compared to 2012, due to the export issues noted above. The Group achieved a profit before tax for 2013 of £453,929 (2012: £2,001,404), which includes the increased amortisation of capitalised R&D, a result which is slightly ahead of consensus forecasts. Earnings per share for the year were 1.02 pence (2012: 2.75 pence). Group revenue for the year was £11,859,180 (2012: £12,794,380). The gross margin for the year was 50.6% compared with 51.7% for 2012.

Our balance sheet remains strong due to underlying profitability and robust financial controls within the business, and our cash balances have been maintained despite the reduction in reported profit. We have also continued our investment in R&D and have increased our dividend compared to the previous year. We had cash balances of £2.3m (2012: £2.3m) plus short to medium term cash deposits of £2.6m (2012: £2.0m) at the year end, with no borrowings.

Operational Highlights

A critical element of our strategy is to maintain our investment in R&D to ensure a constant expansion of our product range in order to create new opportunities, protect our competitive position and provide our existing customers with viable technical upgrade paths. The investment in R&D was maintained throughout 2013.

A total of 7 new high performance embedded computers were released during the year, featuring the latest technology including 4th generation Intel® Core™ processors and new low power Intel® Atom™ processors. We have concentrated on providing more AMC and VPX™ architecture products, these usually being the architectures of choice for new projects and therefore offering greater potential for growth. Combined with a Serial RapidIO® interface, the AMC architecture products are particularly well suited for MicroTCA™ and AdvancedTCA® based

telecommunications applications such as IPTV, digital media servers, media gateways, broadband, and Long Term Evolution (LTE) or LTE-Advanced, wireless base stations. They are also being utilised in test systems for wireline and wireless networks, where a large number of computing nodes are required to intercommunicate at very fast data transfer rates. Sales of our AMC boards have significantly increased during 2013. Our VPX™ architecture boards are mainly used in defence and surveillance related applications, including unmanned vehicles, and these have also shown continuing growth in sales during 2013.

To enhance the functionality of our hardware products, we have continued the development of key software projects. These include our Fabric Interconnect Networking Software for inter-board communications, and our Board Level Security Package, designed to assist customers to deliver secure solutions for applications where protecting critical technologies and data is essential.

The Group's customer base is well diversified comprising many large, high quality, international businesses, which use our products in many different applications. Sales for defence applications increased slightly during 2013 from the previous year and may have been even better if we had not been affected by the difficulties with export licencing. There were also increased sales for industrial applications, and also for scientific applications like physics research.

Future Plans

Against a challenging export environment, we have delivered another year of profitability. Our objective remains to design more innovative products for complex, high technology, low to medium volume and high margin applications, including versions for use in harsh environments. We also aim to further enhance the capabilities of these products with new and complementary software packages to provide high-speed data transfer, ease of integration and security. We will continue to be an early adopter of the latest technology from Intel and maintain our investment in R&D to ensure an expansion of our range of advanced technology products. To augment our R&D capabilities and to complement our UK and Indian design centres, we intend to establish an R&D facility in Massachusetts, USA.

We know that our diverse product range and the continuing investment in applying new technology to our product ranges enhances the Group's position in a variety of different markets. The probable improvement in the situation regarding export licence restrictions is also expected to improve the Group's prospects during 2014.

Dividend

The Board has declared a second interim dividend of 1.10 pence per share (2012: 1.05 pence second interim dividend) which when added to the first interim dividend of 0.65 pence per share will make a total of 1.75 pence per share for the year (2012: 1.70 pence). This is an increase of 2.94% on dividends paid for 2012. The total cost of this second interim dividend will amount to £785,405. The Directors do not intend to recommend a final dividend.

Annual General Meeting

The annual general meeting of Concurrent Technologies Plc will be held at the Company's offices at 4 Gilberd Court, Newcomen Way, Colchester, Essex, CO4 9WN, on 27 May 2014 at 2:30pm.

All companies and product names are trademarks of their respective organisations.

Consolidated Statement of Comprehensive Income

	Year to 31 December 2013	Year to 31 December 2012
CONTINUING OPERATIONS	£	£
Revenue	11,859,180	12,794,380
Cost of sales	5,857,094	6,183,357
Gross profit	6,002,086	6,611,023
Operating expenses	5,614,290	4,666,346
Group operating profit	387,796	1,944,677
Finance income	66,133	56,727
Profit before tax	453,929	2,001,404

Tax	(275,688)	34,749
Profit for the year	729,617	1,966,655
Other Comprehensive Income		
Items that will be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	(124,637)	(131,051)
Tax relating to components of other comprehensive income	-	-
Other Comprehensive Income for the year, net of tax	(124,637)	(131,051)
Total Comprehensive Income for the year	604,980	1,835,604
Profit for the period attributable to:		
Equity holders of the parent	729,617	1,966,655
Total Comprehensive Income attributable to:		
Equity holders of the parent	604,980	1,835,604
Earnings per share		
Basic earnings per share	1.02p	2.75p
Diluted earnings per share	1.01p	2.73p

Consolidated Balance Sheet

	As at 31 December 2013 £	As at 31 December 2012 £
ASSETS		
Non-current assets		
Property, plant and equipment	478,131	437,851
Intangible assets	5,467,503	5,948,660
Deferred tax assets	108,396	188,323
Other financial assets	-	1,000,000
	6,054,030	7,574,834
Current assets		
Inventories	2,550,556	2,967,690
Trade and other receivables	2,874,354	3,274,665
Current tax assets	247,240	123,696
Other financial assets	2,602,689	1,000,000
Cash and cash equivalents	2,340,859	2,316,928
	10,615,698	9,682,979
Total assets	16,669,728	17,257,813
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	1,164,267	1,404,686
Long term provisions	10,009	-
	1,174,276	1,404,686
Current liabilities		
Trade and other payables	1,931,110	1,511,755
Short term provisions	36,813	39,746
	1,967,923	1,551,501
Total liabilities	3,142,199	2,956,187
Net assets	13,527,529	14,301,626
EQUITY		
Capital and reserves		
Share capital	727,000	727,000
Share premium account	3,405,817	3,405,817
Capital redemption reserve	256,976	256,976
Cumulative translation reserve	(74,816)	49,821
Profit and loss account	9,212,552	9,862,012
Equity attributable to equity holders of the parent	13,527,529	14,301,626

Total equity	13,527,529	14,301,626
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Consolidated Cash Flow Statement

	Year to 31 December 2013 £	Year to 31 December 2012 £
Cash flows from operating activities		
Profit before tax for the period	453,929	2,001,404
Adjustments for:		
Finance income	(66,133)	(56,727)
Depreciation	169,259	206,286
Amortisation	1,363,530	1,328,131
Impairment loss	842,783	236,733
Loss on disposal of property, plant and equipment (PPE)	-	5,714
Share-based payment	(94,726)	11,941
Exchange differences	(74,551)	(45,511)
(Increase) in inventories	417,134	(341,030)
(Increase)/decrease in trade and other receivables	400,311	(884,288)
Increase/(decrease) in trade and other payables	426,431	(230,060)
Cash generated from operations	3,837,967	2,232,593
Tax (paid)/received	(61,654)	19,622
Net cash generated from operating activities	3,776,313	2,252,215
Cash flows from investing activities		
Interest received	66,133	56,727
Cash placed on Deposit	(602,689)	-
Purchases of property, plant and equipment (PPE)	(225,505)	(181,263)
Capitalisation of development costs and purchases of intangible assets	(1,726,312)	(2,136,090)
Net cash used in investing activities	(2,488,373)	(2,260,626)
Cash flows from financing activities		
Equity dividends paid	(1,214,420)	(1,179,051)
Purchase of treasury shares	(16,625)	(17,038)
Net cash used in financing activities	(1,231,045)	(1,196,089)
Effects of exchange rate changes on cash and cash equivalents	(32,964)	(72,703)
Net increase/(decrease) in cash	23,931	(1,277,203)
Cash at beginning of period	2,316,928	3,594,131
Cash at the end of the period	2,340,859	2,316,928

Consolidated Statement of Changes in Equity

Share capital £	Share premium £	Capital redemption reserve £	Cumulative translation reserve £	Profit and loss account £	Total Equity £
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Balance at 1 January 2012	727,000	3,405,817	256,976	180,872	9,052,951	13,623,616
Profit for the period	-	-	-	-	1,966,655	1,966,655
Exchange differences on translating foreign operations	-	-	-	(131,051)	-	(131,051)
Total comprehensive income for the period	-	-	-	(131,051)	1,966,655	1,835,604
Transactions with owners:						
Share-based payment	-	-	-	-	11,941	11,941
Deferred tax on share based payment	-	-	-	-	26,554	26,554
Dividends paid	-	-	-	-	(1,179,051)	(1,179,051)
Purchase of treasury shares	-	-	-	-	(17,038)	(17,038)
Balance at 31 December 2012	727,000	3,405,817	256,976	49,821	9,862,012	14,301,626
Profit for the period	-	-	-	-	729,617	729,617
Exchange differences on translating foreign operations	-	-	-	(124,637)	-	(124,637)
Total comprehensive income for the period	-	-	-	(124,637)	729,617	604,980
Transactions with owners:						
Share-based payment	-	-	-	-	(94,726)	(94,726)
Deferred tax on share based payment	-	-	-	-	(53,306)	(53,306)
Dividends paid	-	-	-	-	(1,214,420)	(1,214,420)
Purchase of treasury shares	-	-	-	-	(16,625)	(16,625)
Balance at 31 December 2013	727,000	3,405,817	256,976	(74,816)	9,212,552	13,527,529

NOTES

1. The financial information set out above does not constitute the Group's statutory accounts for the years ended 31 December 2013 or 2012, but is derived from those accounts. Statutory accounts for 2012 have been delivered to the Registrar of Companies and those for 2013 will be delivered following the Annual General Meeting. The auditors have reported on those accounts; their reports were (i) unqualified and (ii) did not contain statements under section 498(2) or (3) of the Companies Act 2006 in respect of 2012 or 2013.
2. The calculation of basic earnings per share is based on the weighted average number of Ordinary Shares in issue during 2013 of 71,430,298 (2012: 71,451,883) allowing for an adjustment made as a consequence of the Company having purchased at various times during the year 40,000 (2012: 45,000) Ordinary Shares and on the profit after tax for 2013 of £729,617 (2012: £1,966,655). The calculation of diluted earnings per share incorporates 593,207 Ordinary Shares (2012: 534,454) in respect of performance related employee share options. The profit after tax is the same as for basic earnings per share.
3. The annual general meeting of Concurrent Technologies Plc will be held at the Company's offices at 4 Gilberd Court, Newcomen Way, Colchester, Essex, CO4 9WN, on 27 May 2014 at 2:30pm.

Copies of the Annual Report will be sent to Shareholders and will also be available from the Company's Registered Office: 4, Gilberd Court, Newcomen Way, Colchester, Essex, CO4 9WN, UK, and on the Company's website: www.cct.co.uk.

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