Prior to publication in this announcement, the information contained within the Executive Chairman's Statement of this announcement was deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR").

14 September 2017

Newmark Security plc
("Newmark", the "Company" or the "Group")

Final results for the year ended 30 April 2017

Newmark Security plc (AIM: NWT), a leading provider of electronic and physical security systems, today announces its audited results for the year ended 30 April 2017.

Financial highlights:

- Turnover from continuing business decreased by 26.5% to £16.0 million (2016: £21.8 million)
- Gross margin from continuing operations before exceptional item was 36.3% (2016: 41.9%)
- Cost of sales within the consolidated income statement includes an exceptional provision for impairment of development costs of £1,341k
- Gross margin from continuing operations after exceptional items decreased to 27.9% overall (2016: 41.9%)
- Loss from continuing operations before exceptional items was £1,378k (2016: Profit £1,489k)
- In addition to the impairment of development costs there was also £2,229k impairment provision of goodwill and £285k exceptional redundancy costs included within administrative expenses
- Loss from continuing operations after exceptional items was £5,233k (2016: Profit £1,489k)
- Loss per share of 1.11 pence (2016: earnings 0.26 pence)
- Cash outflow from operating activities was £0.97 million (2016: inflow £1.76 million)
- Net cash reduced to £1.37 million (2016: £4.30 million)

Operational highlights Net (decrease)/Increase in cash and cash equivalents

- Launch of new products GT-10 terminal and Sateon Advance access control system well received by the market
- Sateon Advance shortlisted for an award at the prestigious Security and Fire Excellence Awards
- Launch of Alliance, a new partner programme which offers commercial, marketing and technical support to Newmark's partners
- Commenced technology agreement with US based UniKey Technologies to develop access control technology and new products, following end of reporting period (May 2017)
- Commenced partnership with Videcon Ltd, a leading distributer of products and services to professional security installers in the UK, following end of reporting period (May 2017)

Commenting on the results, Maurice Dwek, Chairman of Newmark, said:

"Within the access control business, although many end-users have already migrated from Janus to Sateon, there are a number of large customers that are yet to make this transition. Therefore, the opportunity exists for this to positively impact Sateon revenues in the current financial year.

Our new android terminal, GT-10, will simplify integrations for customers with android and browser based applications. This new product provides an opportunity to generate revenue in entirely new markets and Grosvenor has begun research across these markets to investigate the potential return on investment available, particularly focusing on sectors that offer 'as a service' (aaS) opportunities. A focus on near term goals has delayed research in these areas, however the Board remains confident in the upside value of these opportunities and intends to pursue these markets as soon as resources allow.

Within the asset protection division, Safetell already has a well-established blue chip customer list, particularly in the banking and finance sector, but is now expanding into other industries whilst offering a greater range of products across the board. Safetell has also entered into strategic partnerships with manufacturers of various additional security products manufactured within the UK and in Europe. Although these products have counter terrorism applications, they are also marketed to existing customers and markets that see a need for improved security on premises and increased safety for staff.

We expect continued growth in revenue from our new Sateon Advance access control system and counter terrorism products but, in view of the ongoing economic uncertainty, we expect that this will be a difficult trading year. In the longer term, we look for continued growth in Sateon, revenue from our exciting new android terminal and recovery of sales in the asset protection division."

Annual Report and Notice of AGM

The Company's Annual Report and Accounts is being posted to shareholders next week and will be made available on the Company's website www.newmarksecurity.com. It will contain notice of the Annual General Meeting of the Company to be held at the Grosvenor Suite, Millennium Hotel, 44 Grosvenor Square, London W1K 2HP 11.00 a.m. on 17 October 2017.

For further information:

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Final results for the year ended 30 April 2017

CHAIRMAN'S STATEMENT

Overview

Newmark is a leading provider of security systems in the UK. Through our subsidiaries, Grosvenor Technology and Safetell, we provide our customers with a range of specialist products and services for the security of assets and personnel.

Group revenue for the year from continuing operations was £16,036k (2016: £21,812k) representing a decrease of 26.5%. As stated in last year's report, the strategy of material investment in new products, new customer acquisition and new geographies has taken longer to yield returns than originally anticipated. Although the opportunity pipeline has grown, the conversion into sales has been slower than expected. The continuing economic uncertainty has affected customer spending plans with proposed programmes being severely delayed or cancelled.

Revenue in the electronic division (Grosvenor Technology) decreased by 7.2% from £7,628k to £7,092k. The revenues from Janus, an access control platform, continued to decline following Microsoft's discontinued support for the 16-bit operating system on which our software runs. Conversely revenues for our Sateon product range increased 22% despite delays to our new Sateon Advance variant product release, an innovative modular approach to access control, that is easily scalable for buildings of any size.

Revenue in the asset protection division (Safetell) decreased by 36.9% in the year from £14,184k to £8,944k as a result of the anticipated reduced contribution from time delay cash handling equipment sales to the Post Office, reduced orders in the lead up to and after the Brexit vote and subsequent budget cuts in all sectors. The fall in the value of the pound against the Euro resulted in the increased cost of imported products which reduced margin further.

Loss from operations for the year from continuing operations before exceptional items was £1,378k (2016: Profit £1,489k). There were a number of exceptional items including an impairment provision of development costs of £1,341K and impairment provision of goodwill of £2,229k, primarily due to the age of the goodwill and historical products and the current focus on the new product ranges, and redundancy costs of £285k. Loss from continuing operations after exceptional items was £5,233k (2016: Profit £1,489k). In addition, the office in Hong Kong was closed in the year in view of the lack of revenue and the post-tax loss of this operation of £136k (2016:291K) has been included in the consolidated income statement as a discontinued operation.

A full financial review of the results for the year is included within the Strategic Report, extracts of which are set out further below.

Dividend

In view of the results for the year, the Board has not recommended the payment of a dividend for the year ended 30 April 2017 (2016: 0.10 pence per share).

Employees

The Board would like to express its appreciation to all staff for their continuing efforts during this difficult year.

Outlook

Within the access control business, although many end-users have already migrated from Janus to Sateon, there are a number of large customers that are yet to make this transition. Therefore, the opportunity exists for this to positively impact Sateon revenues in the current financial year.

Our new android terminal, GT-10, will simplify integrations for customers with android and browser based applications. This new product provides an opportunity to generate revenue in entirely new markets and Grosvenor has begun research across these markets to investigate the potential return on investment available, particularly focusing on sectors that offer 'as a service' (aaS) opportunities. A focus on near term goals has delayed research in these areas, however the Board remains confident in the upside value of these opportunities and intends to pursue these markets as soon as resources allow.

Within the asset protection division, Safetell already has a well-established blue chip customer list, particularly in the banking and finance sector, but is expanding into other industries whilst offering a greater range of products across the board. Safetell has also entered into strategic partnerships with manufacturers of various additional security products manufactured within the UK and in Europe. Although these products have counter terrorism applications, they are also marketed to existing customers and markets that see a need for improved security on their premises and increased safety for staff.

We expect continued growth in the revenue from our new Sateon Advance access control system and from counter terrorism products but, in view of the ongoing economic uncertainty, we expect that this will be a difficult trading year. In the longer term, we look for continued growth in Sateon, revenue from our exciting new android terminal and recovery of sales in the asset protection division.

M DWEK
Chairman
14 September 2017

EXTRACTS FROM THE STRATEGIC REPORT

Financial review

Revenue in the year decreased from £21.8m to £16.0m, a decrease of 26.5%, analysed as follows:

	2016/17	**2015/16**	**Increase/ (decrease)**
	£'000	**£'000**	**%**
Electronic division			
Access control	3,801	4,350	(12.8)
Workforce management	3,291	3,278	-
Total electronic division	7,092	7,628	(7.2)
Asset protection division			
Products	5,870	10,721	(45.2)
Service	3,074	3,463	(11.2)
Total asset protection division	8,944	14,184	(36.9)
TOTAL	16,036	21,812	(26.5)

A detailed review of the activities, results and future developments is set out in the divisional sections below.

Electronic division – Grosvenor Technology

Overview

The significant investment that has been made in product development over the previous two years has resulted in major product releases. Both the Sateon Advance (access control) and GT-10 offerings (workforce management solution) have received a very warm reception from the market and several potentially high volume new contracts are at an advanced stage of negotiation. Despite being newly launched, Sateon Advance was also short listed for an award at the prestigious Security and Fire Excellence Awards.

The expectation that Sateon Advance would quickly surpass revenue from older products has been met with Advance already enjoying greater commercial success than the older Sateon Pro system. A variant of the Advance platform has also been selected by an independent distributor of security and CCTV systems to power their own access control solution.

In the light of these new product launches, the directors have impaired development costs by £1,341,000 and goodwill by £1,268,000 in relation to the electronic division. These impairments are considered to be against historical products that future revenues are not expected to cover as the directors focus on these new products.

Access Control

This was a difficult trading period as the company experienced reductions in revenues in its legacy access control platform, Janus, while revenue growth from its current Sateon offering was affected by the delayed release of the most recent variants.

Due to Microsoft and Intel migrating away from platforms and operating systems that support 16-bit applications such as Grosvenor's older Janus product line, the revenues from that product line continued to decline in line with expectations.

Significant investment was made during the year and the Sateon offering was bolstered by the launch of new hardware and software, released in the second half of the year under review as Sateon Advance. Sateon Advance V3.0 software is the fastest, most intuitive iteration of Sateon to date, dramatically increasing the speed of configuring doors and personnel. While revenues for this variant were slower to materialise than original expectations due to the delayed product release, revenues in the Sateon product range as a whole increased by 22% compared to the previous year to £1,956k. Early revenues and margin from the revised portfolio have been softer than earlier products due to our penetration pricing strategy.

The revenues from the Hong Kong operation unfortunately fell well short of expectations and as this position could not be predicted to significantly improve, the decision was taken to withdraw from Hong Kong and redeploy resource into regions of greater potential. This operation incurred an operating loss of £225K in the year which has therefore now been eliminated as a cost in future years. The net result has been included in the consolidated income statement as a discontinued operation.

The company has recently entered into a technology agreement with US based UniKey Technologies whose patented and proprietary platform provides a "frictionless at door experience" for the end user. It is anticipated that Grosvenor's first products incorporating UniKey technology will be seen later in the current calendar year. The product offering that features this embedded technology will transcend both access control and workforce management lines of business. This agreement is a perfect example of how Grosvenor can partner with one of the world's leading specialist technology providers to deliver innovative solutions and services to the UK market to enable the business to transition to a recurring revenue model.

Workforce Management ("WFM")

Revenues for WFM were similar to the previous year. The natural slowdown of the rollout across the estate of one of the world's largest apparel retailers negated, to some extent, growth in some new and existing channel partners.

Development resource was focused on the GT-10 employee terminal, launched as a Developer Kit towards the end of the first half. GT-10 has an Android based operating platform, allowing current and potential software partners to integrate seamlessly into their web-based offerings where they have existing Android based applications. Negotiations have commenced with several potential major WFM software providers in the US and Europe who have chosen to invest in creating their own software for the GT-10. The GT-10 is expected to enter mass production and be enhanced during the first half of the current financial year, in time for customers to complete their integration work and transition from their development phase to sales activity.

Negotiations continued during the year with some of the industry's largest software vendors with a view to supplying them with variants of the company's time and attendance terminals. In North America, business development activities increased to leverage the potential that exists for growing WFM revenues as it is felt the US market remains the region of greatest growth opportunity for both the existing IT series terminals and the GT-10.

Asset Protection Division – Safetell

Revenue within this division decreased by 36.9%, partly as a result of the reduced contribution from time delay cash handling equipment sales to the Post Office. Although Safetell received orders from various long-term customers in retail finance, petrol and food retailing sectors, reduced sales were experienced in the lead up to and after the Brexit vote as many customers put plans on hold. This trend continued with budget cuts in all sectors. The fall in the value of the pound against the Euro resulted in the increased cost of imported products which reduced margin further. The down turn in orders resulted in a reorganisation within the business which generated substantial cost savings.

During the year, new products were developed and certified to UK security standards with the focus on providing counter terror security equipment for staff and customer protection. A distribution agreement was entered into with Gunnebo UK to distribute their Security Doors and Partitioning range within the UK. This complements the existing Safetell product range and the increased product offering enables entry into new market sectors. A fixed price supply contract with a leading financial institution entered its third and final year and margins on this contract were reduced due to imported component price increases directly related to the pound/euro exchange rate.

A programme of product re-certification to the latest security standards was embarked on in the last few months and will assist in moving the business forward as our focus is moved to the increased crime and threat of terrorism within the UK.

Service Division revenue was 11.2 per cent lower than the corresponding period last year. Sales have been challenging for the division as a result of the continuing branch closures that have occurred in the banking sector.

Pneumatic upgrades of rising screen systems now generate in excess of 10% of total service revenue, providing customers with an extended product life beyond 20 years. The new TC105 control panel utilised on the rising screen was introduced to the market and installed at many sites. This has proved very reliable and will replace the outdated Surefire control panel going forward. The TC105 software was developed by Grosvenor Technology and utilises Grosvenor's workforce management IT51 terminal.

Taxation

The tax credit for the year reflects the operating loss for the year and the losses have been carried forward.

Statement of financial position and cash flow

Grosvenor conducted a review of the value of product development costs that had been capitalised as development costs previously. The review focused on the expected future economic benefits of historical investments and the ability to use or sell the intangible asset in future years. Grosvenor has historically amortised intellectual property rich development costs over a seven-year period and therefore many of the assets reviewed were several years old. With the launch of Sateon Advance and a reduction in market demand for older products and technologies that Sateon Advance has replaced, a write off of £1,341,000 on certain access control development costs was made. Development costs continued to be capitalised in accordance with the accounting policy but following the impairment review outlined above, the development costs within intangible assets on the balance sheet were £1,031,000 lower than the previous year.

In view of the lower level of sales of the historical product range in both divisions, there has also been an impairment of goodwill in the year of £2,229,000 which has been included within the consolidated income statement as an exceptional item. The impairment is considered to be against historical products whilst the future emphasis is on the new product ranges

Trade receivables and payables were £479,000 and £184,000 respectively lower than the previous year reflecting both the lower revenue in the period and the timing of that revenue. Deferred income was £372,000 below the previous year due to the lower level of advance payments from customers.

Overall net assets decreased from £14,457,000 to £8,800,000.

Cash outflows from operating activities for the year was £975,000 (2016: inflow £1,758,000), reflecting the trading result for the year and the movement in receivables and payables summarised above. Overall there was a decrease in cash and cash equivalents of £2,938,000 (2016: increase £96,000).

Basic loss per share from continuing operations are shown in the income statement as 1.08 pence (2016: earnings 0.31 pence).

CONSOLIDATED INCOME STATEMENT
for the year ended 30 April 2017

	Note	2017 £'000	2016 £'000
Revenue		**16,036**	**21,812**
Cost of sales (2017: including £1,341,000 exceptional development cost impairment (2016: £Nil))		(11,562)	(12,678)
Gross profit		4,474	9,134
Administrative expenses (2017: including £285,000 exceptional redundancy cost and £2,229,000 exceptional impairment goodwill (2016: £Nil)		(9,707)	(7,645)
(Loss)/profit from operations before exceptional items		(1,378)	1,489
Exceptional impairment provision of goodwill		(2,229)	-
Exceptional impairment provision of development costs		(1,341)	-
Exceptional redundancy costs		(285)	-
(Loss)/profit from operations		(5,233)	1,489
Interest received		5	11
Finance costs		(13)	(13)
(Loss)/profit before tax		(5,241)	1,487
Tax credit	2	141	31
(Loss)/profit for the year from continuing operations		(5,100)	1,518
(Loss) of discontinued operation net of tax		(136)	(291)
(Loss)/profit for the year		(5,236)	1,227
Attributable to:			
– Equity holders of the parent		(5,236)	1,227
(Loss)/earnings per share			
– Basic (pence)	4	(1.11p)	0.26p
– Diluted (pence)	4	(1.11p)	0.25p
(Loss)/earnings per share from continuing operations			
– Basic (pence)	4	(1.08p)	0.31p
– Diluted (pence)	4	(1.08p)	0.30p

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 April 2017

	2017 £'000	2016 £'000
(Loss)/profit for the year	(5,236)	1,227
Items that will or may be reclassified to profit or loss:		
Foreign exchange gains on retranslation of overseas operations	48	9
Total comprehensive income for the year	(5,188)	1,236
Attributable to:		
- Equity holders of the parent	(5,188)	1,236

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 April 2017

	2017 £'000	2016 £'000
ASSETS		
Non-current assets		
Property, plant and equipment	656	738
Intangible assets	5,598	8,859
Total non-current assets	6,254	9,597
Current assets		
Inventories	1,646	1,406
Trade and other receivables	3,286	3,715
Cash and cash equivalents	1,370	4,299
Total current assets	6,302	9,420
Total assets	12,556	19,017
LIABILITIES		
Current liabilities		
Trade and other payables	3,282	3,971
Other short term borrowings	79	99
Corporation tax liability	-	1
Provisions	100	-
Total current liabilities	3,461	4,071
Non-current liabilities		
Long term borrowings	98	64
Provisions	100	100
Deferred tax	97	325
Total non-current liabilities	295	489
Total liabilities	3,756	4,560
TOTAL NET ASSETS	8,800	14,457
Capital and reserves attributable to equity holders of the company		
Share capital	4,687	4,687
Share premium reserve	553	553
Merger reserve	801	801
Foreign exchange difference reserve	(125)	(173)
Retained earnings	2,844	8,549
	8,760	14,417
Non-controlling interest	40	40
TOTAL EQUITY	**8,800**	**14,457**

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 April 2017

	2017	2017	2016	2016

	£'000	£'000	£'000	£'000
Cash flow from operating activities				
Net (loss)/ profit after tax	(5,236)		1,227	
Adjustments for:				
Depreciation, amortisation and impairment	4,848		1,201	
Net interest expense	8		2	
Income tax credit	(230)		(31)	
Operating cash flows before changes in working capital	(610)		2,399	
Decrease/(increase in trade and other receivables	458		(706)	
(Increase)/decrease in inventories	(232)		35	
(Decrease) in trade and other payables	(586)		(115)	
Cash generated from operations		(970)		1,613
Income taxes (paid)/received		(5)		145
Cash flows from operating activities		(975)		1,758
Cash flow from investing activities				
Payments for property, plant & equipment	(211)		(205)	
Sale of property, plant & equipment	15		43	
Capitalised development expenditure	(1,182)		(945)	
		(1,378)		(1,107)
Cash flow from financing activities				
Share issues	-		89	
Repayment of finance lease creditors	(108)		(182)	
Dividends paid	(469)		(460)	
Net interest paid	(8)		(2)	
		(585)		(555)
Net (decrease)/increase in cash and cash equivalents		(2,938)		96
Cash and cash equivalents at beginning of year		4,299		4,202
Exchange gain on cash and cash equivalents		9		1
Cash and cash equivalents at end of year		1,370		4,299

	2017 £'000	2016 £'000
Cash available on demand	1,370	4,299
Significant non-cash transactions are as follows:		
Financing activities		
Assets acquired under finance leases	125	90

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Merger reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Non-controlling interest £'000	Total equity £'000
1 May 2015	4,602	549	801	(182)	7,782	40	13,592
Profit for the year	–	–	–	–	1,227	–	1,227
Other comprehensive income	–	–	–	9	–	–	9

Total comprehensive income for the year	–	–	–	9	1,227	–	1,236
Contributions by and distributions to owners							
Dividends	–	–	–	–	(460)	–	(460)
Share issues	85	4	–	–	–	–	89
Total contributions by and distributions to owners	85	4	–	–	(460)	–	(371)
30 April 2016	4,687	553	801	(173)	8,549	40	14,457
1 May 2016	4,687	553	801	(173)	8,549	40	14,457
Loss for the year	–	–	–	–	(5,236)	–	(5,236)
Other comprehensive income	–	–	–	48	–	–	48
Total comprehensive loss for the year	–	–	–	48	(5,236)	–	(5,188)
Contributions by and distributions to owners							
Dividends	–	–	–	–	(469)	–	(469)
Total contributions by and distributions to owners	–	–	–	–	(469)	–	(469)
30 April 2017	4,687	553	801	(125)	2,844	40	8,800

1. Basis of preparation

The financial information set out above for the years ended 30 April 2017 and 2016 does not constitute the Group's statutory accounts within the meaning of Section 434 of the Companies Act 2006 but is derived from those accounts. Statutory accounts for the year ended 30 April 2016 have been delivered to the Registrar of Companies and those for 2017 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts. The auditors' reports were unqualified and did not contain statements under s.498 (2) or (3) Companies Act 2006. The results have been prepared using accounting policies consistent with those used in the preparation of the statutory accounts.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), IFRIC interpretations and the parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Financial Statements have been prepared under the historical cost convention.

The preparation of Financial Statements in conformity with IFRS require the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information, including the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

2. Taxation

The tax credit for the year reflects the operating loss for the year and the losses have been carried forward.

3. Segment information

Description of the types of products and services from which each reportable segment derives its revenues:

The Group has 2 main reportable segments:

- Electronic division – This division is involved in the design, manufacture and distribution of access-control systems (hardware and software) and the design, manufacture and distribution of WFM hardware only, for time-and-attendance, shop-floor data collection, and access control systems. This division contributed 44 per cent. (2016: 35 per cent.) of the Group's revenue.
- Asset Protection division – This division is involved in the design, manufacture, installation and maintenance of fixed and reactive security screens, reception counters, cash management systems and associated security equipment. This division contributed 56 per cent. (2016: 65 per cent.) of the Group's revenue.

Factors that management used to identify the Group's reportable segments

The Group's reportable segments are strategic business units that offer different products and services. The two divisions are managed separately as each involves different technology, and sales and marketing strategies. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Measurement of operating segment profit or loss from operations before tax not including non-recurring losses such as development cost impairment, and also excluding the effects of share based payments.

Segment assets and liabilities exclude group company balances.

	Electronic 2017 £'000	Asset Protection 2017 £'000	Total 2017 £'000
Revenue			
Total revenue	7,092	8,944	16,036
Revenue from external customers	7,092	8,944	16,036
Net finance cost	1	4	5
Depreciation	125	260	385
Amortisation	873	–	873
Impairment provision	1,341	-	1,341
Segment (loss)/profit before income tax from continuing activities	(2,049)	130	(1,919)
Loss before income tax on discontinued operation	(225)	-	(225)
Total (loss)/profit before income tax	(2,274)	130	(2,144)
Additions to non-current assets	1,296	156	1,452
Reportable segment assets	6,062	2,761	8,823
Reportable segment liabilities	1,469	2,052	3,521

	Electronic 2016 £'000	Asset Protection 2016 £'000	Total 2016 £'000
Revenue			
Total revenue	7,628	14,184	21,812
Revenue from external customers	7,628	14,184	21,812
Net finance cost	–	2	2
Depreciation	122	271	393

Amortisation	783	–	783
Segment profit before income tax from continuing operations	(161)	2,809	2,648
Loss before income tax of discontinued operation	(291)	-	(291)
Total (loss)/profit before income tax	(452)	2,809	2,357
Additions to non-current assets	1,005	231	1,236
Reportable segment assets	6,776	7,168	13,944
Reportable segment liabilities	1,632	2,822	4,454

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities to the Group's corresponding amounts:

	2017	2016
Revenue		
Total revenue for reportable segments	16,036	21,812

	2017 £'000	2016 £'000
Profit or loss after income tax expense		
Total profit or loss for reportable segments	(1,919)	2,648
Corporation taxes	141	31
Parent company salaries and related costs	(522)	(509)
Other parent company costs	(571)	(652)
Impairment provision of goodwill	(2,229)	-
(Loss)/profit after income tax expense (continuing activities)	(5,100)	1,518

	2017 £'000	2016 £'000
Assets		
Total assets for reportable segments	8,823	13,944
PLC	998	109
Goodwill on consolidation	2,735	4,964
Group's assets	12,556	19,017
Liabilities		
Total liabilities for reportable segments	3,521	4,454
PLC	235	106
Group's liabilities	3,756	4,560

	Reportable Segment Totals 2017 £'000	PLC 2017 £'000	Group Totals 2017 £'000	Reportable Segment Totals 2016 £'000	PLC 2016 £'000	Group Totals 2016 £'000
Other material items						
Capital expenditure	1,452	66	1,518	1,236	4	1,240
Depreciation and amortisation	1,258	20	1,278	1,176	25	1,201
Impairment of development costs	1,341	-	1,341	-	-	-
Impairment of goodwill	-	2,229	2,229	-	-	-

Geographical information:

	External revenue by location of customers		Non-current assets by location of assets	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
UK	13,008	18,299	6,243	9,573
Netherlands	357	265	–	–
Sweden	6	124	-	-
Belgium	362	206	-	-
Austria	163	145	-	-
Other Europe	278	379	-	-
USA	1,340	1,473	11	24
Middle East	359	704	-	-
Other countries	163	217	–	–
	16,036	21,812	6,254	9,597

Revenue from one customer totalled £3,508,000 (2016: £5,502,000). There are no other customers that account for more than 10% of Group revenue.

4.(Loss)/earnings per share

	Continuing		Discontinued		Total	
	2017	2016	2017	2016	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000
Numerator						
Earnings used in basic and diluted EPS	(5,100)	1,518	(136)	(291)	(5,236)	1,227

	No.	No.
Denominator		
Weighted average number of shares used in basic EPS	468,732,316	464,249,624
Weighted average number of dilutive share warrants	-	14,050,885
Weighted average number of dilutive share options	2,733,509	10,470,065
Weighted average number of shares for dilutive EPS	471,465,825	488,770,574

The basic earnings per share before exceptional items has also been presented since, in the opinion of the directors, this provides shareholders with a more appropriate measure of earnings derived from the Group's businesses. It can be reconciled to basic earnings per share as follows:

	2017 pence	2016 penc
Basic (loss)/ earnings per share from continuing operations (pence) – basic	(1.08)	0.31
Impairment provision of development costs	0.29	-
Impairment provision of goodwill	0.47	-
Exceptional redundancy costs	0.06	-
(Loss)/earnings per share from continuing operations before exceptional	(0.26)	0.31

	2017	2016
	£'000	£'000
Reconciliation of earnings		
(Loss)/profit from continuing operations used for calculation of basic earnings	(5,100)	1,518
Impairment provisions of development costs	1,341	-
Impairment provision of goodwill	2,229	-

Exceptional redundancy costs	285	-
(Loss)/earnings before exceptional items	(1,245)	1,518

5. Dividends

The Directors are not proposing a final dividend (2016: 0.10 pence) totaling £Nil (2016: £468,732)