

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

27 September 2019

Remote Monitored Systems plc (“Remote Monitored Systems”, the “Company” or the “Group”)

Half Yearly Report to 30 June 2019

Remote Monitored Systems plc, the AIM quoted survey, inspection and monitoring company is pleased to present its unaudited half yearly report for the six-month period ended 30 June 2019.

OVERVIEW

- Geocurve is continuing to focus successfully on recurring contracts, extending its customer base, reducing debt and becoming cash neutral
- Geocurve’s partnership with Landscape is becoming operational with cost savings and additional sales opportunities.
- GyroMetric achieved sales to new customers during the period, whilst keeping tight control of costs
- Loss after tax £723,954 (2018: £416,172)
- 43% decrease in revenue to £261,854 (2018 restated: £460,330). The decrease in revenue results from a slower than expected start by Geocurve Limited (“Geocurve”) to 2019 due to remedial works required on the TEAM2100 Project
- £17,500 of the £140,000 withheld on retention in respect of the TEAM2100 Project was released in the period ended 30 June 2019, with the remainder expected to be released during 2H 2019
- 15% increase in cost of sales £295,764 (2018: £256,325), due to the additional manpower required on the TEAM2100 Project during 1H, this manpower was released in the second half of the year
- 19% increase in administrative expenses £540,746 (2018: £454,220), the increase mostly arising from operating costs in GyroMetric Systems Limited (“GyroMetric”)
- Overall 74% increase in losses after tax £723,954 (2018: £416,172)
- Cash balances at the period end of £17,707 (2018: £109,381). Additional £100,000 raised after the period end through the issue of Convertible Loan Notes

Trevor Brown, CEO of Remote Monitored Systems plc, commented *“Although the difficulties identified at Geocurve earlier in the year were disappointing, we have taken decisive action to resolve these, with the backlog on the Thames contract eliminated, costs reduced, and Geocurve returned to operating profitability in June. GyroMetric, whilst continuing to focus on significant opportunities in the wind sector, has made excellent progress in identifying new customers in industrial sectors with shorter lead times, in addition to continuing to deliver new orders in the marine market.”*

A copy of these interim financial statements is available on the Company's website:

www.remotemonitoredsystems.com

ENQUIRIES:

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CHAIRMAN'S STATEMENT***Survey & Inspection*****Geocurve**

As announced on 29 March, Geocurve Limited ("Geocurve"), which provides Survey and Inspection services principally to major blue-chip companies and government agencies, experienced a slower than expected start to 2019, largely as a result of the need to dedicate more resources than expected to the Environment Agency's Thames Estuary Asset Management 2100 (TEAM2100) programme.

The review of this contract following the departure of the previous Managing Director identified that the Geocurve revenue figure included in the first half of 2018 was overstated by £140,000 (this had been reflected accurately in the full year accounts to 31 December 2018). As a result, the revenue figures for the period to 30 June 2018 shown in the Statement of Comprehensive Income have been restated to £460,330 (from £600,330).

Work has now been completed to deliver work relating to the £140,000 revenue deferred from 2018. Of this, £17,500 was recognised in 1H 2019 with the remainder scheduled to be invoiced and paid in the second half of 2019.

The allocation of resources to deliver this work had an adverse impact on Geocurve's ability to undertake other work, resulting in a 43% decrease in revenues to £261,854 in 1H 2019.

Geocurve underwent a major cost cutting exercise in the first half of the year, reducing the business headcount from 14 to 8. The business has been restructured to ensure that all remaining staff are multi-skilled and are working to maximum efficiency, and as a result the reduction in headcount has not impacted on the level of service provided, or the volume of work that the business is able to carry out.

During 1H 2019, Geocurve implemented a revised strategy. Whilst continuing with the TEAM2100 contract, Geocurve has widened its customer base and carried out work for smaller sub-contractors, architects and designers as well as blue-chip contractors. As a result of the revised strategy, Geocurve returned to trading profitably in June.

After the period end, Geocurve announced a Joint Venture ("JV") with Landscape Engineering Limited ("Landscape") to pool certain assets and skills. The JV agreement with Landscape gives Geocurve the opportunity to ensure that the Pegasus Two: Ultimate mobile mapping equipment is utilised to its full capacity and at maximum value. The higher value mobile mapping projects are part of a full suite of services which, alongside Landscape, can be provided at the highest standards, making the JV well placed to unlock many new opportunities.

The directors believe that Geocurve's skill set and its use of innovative technology has the potential to transform the practice of surveying, and reflects Geocurve's continuing transition to becoming a leading UK provider of surveying services above and below land and water – providing a full breadth of services ranging from manual topographic surveys to UAV, Ground Penetrating Radar, Mobile Mapping and Hydrographic.

GyroMetric

GyroMetric develops and manufactures digital monitoring and safeguarding systems for rotating shafts. The Gyrometric technology uses proprietary algorithms, software and AI techniques to analyse remotely critical drive shaft performance so as to diagnose and predict drive system maintenance requirements before catastrophic damage occurs. The

company's technology is proven to operate reliably in harsh environments over many years, and its products are gaining considerable interest in several markets – marine drive systems, oil & gas, and wind turbines – with a growing installed base in the first of these.

The Group acquired an initial 36.9% interest in GyroMetric in April 2018 and increased its shareholding to 57.8% in September 2018.

Although GyroMetric did not generate any revenues in 2018, sales of £17,639 to new and existing customers were achieved in 1H 2019, with further orders received and invoiced since the period end. GyroMetric continues to exercise stringent control over costs.

During the period GyroMetric's development team completed two key projects that are expected to open new markets and reduce costs. The first is a Universal Bearing Monitor that can be applied much more widely with greatly reduced installation and support costs, and the second is a Laser Sensor that is close to production and general availability.

GyroMetric has recently signed a contract for a technical cooperation with a major UK supplier to the energy and petrochemical industries to develop applications for GyroMetric's unique systems. Also, as a result of the successful recruitment of a Technical Sales Director in 1H 2019, a number of promising opportunities in new sectors, where lead times are typically shorter, are already being pursued.

As previously announced, GyroMetric will be conducting trials for two major wind turbine manufacturers, although both trials have been subject to unforeseen delays outside the company's control. GyroMetric has had confirmation that it is the supplier of choice to instrument the largest and most imminent trial which is now expected to commence in late 2019.

GyroMetric continues to find new markets and applications for its unique technology, some of which have become apparent only recently. This process of exploring new applications continues apace and we expect to provide further updates to shareholders as matters progress. It is clear that the potential uses for GyroMetric's remote monitoring products are already exceeding our original expectations. The Board remains excited by the opportunities at GyroMetric, both in the wind industry and in new sectors.

Financial Review

Change of presentational currency to Sterling

The interim financial statements are presented in Sterling (GBP), which is considered to be the Group's functional and presentational currency.

The functional and presentational currency changed with effect from 1 January 2018 from US dollars to Sterling. The change in functional currency reflects the fact that the Group's training and US activities have been closed, with Geocurve and Gyrometric now the main trading entities within the Group. The change in functional currency has been adopted prospectively from 1 January 2018.

The change in presentational currency is considered to be a change in the Group's accounting policies and has therefore been accounted for retrospectively as though the presentational currency of the Group was always Sterling. The gains/losses arising from the changes in presentational currency have been recorded in other comprehensive income.

Financial Overview

During the period, the Group recorded revenues of £261,854 compared with restated revenues of £460,330 for the six months to 30 June 2018. The operating loss for the six months to 30 June 2019 was £817,284 (Period to 30 June 2018: £446,907). Administrative expenses amounted to £540,746 (Period to 30 June 2018: £454,220), see table and the bullet points below for details in relation to the increase in administrative expenses. The loss after tax for the period was £723,954. The loss per share was 0.19 pence (2017: loss per share 0.15 pence).

- The total revenue figure £261,854 for June 2019 relates to Geocurve £244,175 and Gyrometric £17,679. The comparative revenue figure for June 2018 was £460,330, which related wholly to Geocurve. The £460,330 was made up of £298,756 revenue from the TEAM2100 contract and £161,574 revenue from other customers. In the period to June 2019, the revenue figure £244,175 is made up of £17,500 relating to the TEAM2100 contract and £226,675 relating to other customers. Geocurve was unable to carry out work for other clients for a

substantial part of February 2019 due to the requirement to carry out remedial works in relation to the TEAM2100 contract

- Consolidated net assets at 30 June 2019 amounted to £304,582 (30 June 2018: £1,013,458). The decrease in net assets is due to the additional cash requirements in the 1H 2019 and impairments made to intangible assets at December 2018
- Cash balances at the period end amounted to £17,707 (30 June 2018: £109,381)
- During the period the Company raised £340,000 net of costs through the issue of new shares
- The increase in administrative costs relates to:

	2019 (£)	2018 (restated) (£)	Increase (£)	Increase (%)
Gyrometric	139,835	£nil, shown as share of loss in associate	139,835	n/a%
Consultancy/Contractors	2,856	46,589	(43,733)	(93)%
Other	398,055	407,631	(9,576)	(2)%
Total Administrative Expenses (as per statement of comprehensive income)	540,746	454,220	86,526	19%

- The borrowings figure relating to the Pegasus Equipment reduced to £72,279 (2018: £333,333). The outstanding capital owed is now less than 15% of the original acquisition cost

Consolidation of share capital

A resolution was passed at the Group's AGM on 29 June 2018 to consolidate every 20 ordinary shares of 0.01p each in the issued share capital of Remote Monitored Systems into one ordinary share of 0.2p each. Thus, with effect from 2 July 2018, there were 308,676,386 New Ordinary Shares of 0.2p each ("Shares") in issue compared with the June 2018 total of 6,173,527,709 Ordinary Shares of 0.01p. The EPS calculated as part of the condensed consolidated statement of comprehensive income reflects the consolidated share capital.

Post-period end events

Following the year end, the Group issued unsecured convertible loan notes for a total of £100,000 (the "CLNs"). The CLNs have an annual coupon of 6%, expire on 4 July 2020 and are convertible into 22,222,222 ordinary shares of 0.2p each in the Company at a price of 0.45 pence per share being the closing bid price on the day immediately prior to the date of the CLNs being issued, being 3 July 2019. The CLNs were subscribed for by the Company's directors or companies controlled by them. In addition to the CLN Transaction, two of the Company's Directors, Mr Brown and Mr Ryan agreed to convert all, or substantially all, outstanding compensation at the time amounting to approximately £95,000, into a total of 21,101,715 ordinary shares of 0.2p each at a price of 0.45 pence per share. Mr Brown converted £24,000 of fees for 5,333,333 Shares and Mr Ryan converted £70,958 of fees for 15,768,382 Shares. As at 31 August 2019, the group had cash and cash equivalents totalling £46,980.

Following completion of the cost reduction measures at Geocurve, John Richardson has taken responsibility for the management and financial oversight of Geocurve in addition to his role as a Director of GyroMetric.

Acknowledgments

On behalf of the Board, I would like to extend our thanks to our business partners, customers, employees and shareholders for their continued support throughout the period.

Nigel Burton
Non-Executive Chairman

REMOTE MONITORED SYSTEMS PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2019

		Unaudited 6 months ended 30 June 2019	Unaudited 6 months ended 30 June 2018 (restated)
	Note	£	£
Revenue		261,854	460,330
Cost of sales		(295,764)	(256,325)
Gross (loss)/profit		(33,911)	204,005
Administration expenses		(540,746)	(454,220)
Other Gains/(Losses)		6,900	(2,646)
Loss on foreign exchange		(27)	-
Depreciation		(67,773)	(51,893)
Impairment		(181,728)	(196,998)
Share option credit		-	54,845
Operating Loss		(817,284)	(446,907)
Finance income		3	4
Finance costs		(4,031)	(16,540)
Share of loss of associate accounted for using the equity method		-	(32,260)
Loss before income tax		(821,312)	(495,703)
Income tax credit	6	97,358	79,532
Loss for the year		(723,954)	(416,171)
Other Comprehensive Income			
Items that may be subsequently be reclassified to profit or loss:			
Currency translation differences		(1,800)	4,936
Total comprehensive income for the period, net of tax		(725,754)	(411,235)

Loss attributable to:

Equity holders of the parent	(672,372)	(411,235)
Non-controlling interests	(51,582)	-

Total comprehensive income attributable to:

Equity holders of the parent	(674,172)	(411,235)
Non-controlling interests	(51,582)	-

Earnings per ordinary share attributable to owners of the parent during the period (*expressed in pence per share*)

Basic and diluted	5	(0.19)	(0.15)
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REMOTE MONITORED SYSTEMS PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

		Unaudited	Unaudited
		30	30
		June	June
		2019	2018
			(restated)
	Note	£	£
Non-current assets			
Intangible assets		641,039	720,028
Property, plant and equipment	7	430,016	555,408
Investments in associates	8	-	217,740
Total non-current assets		1,071,055	1,493,176
Current Assets			
Inventories		10,854	-
Trade and other receivables	10	210,283	254,106
Cash and cash equivalents		17,707	424,757
Total current assets		238,844	678,863
TOTAL ASSETS		1,309,898	2,172,039
Equity attributable to owners of the parent			
Share capital	3	4,899,438	4,744,163
Share premium		6,562,937	6,102,763
Other reserves		(298,453)	(307,954)
Translation reserve		90,381	160,350
Retained loss		(10,920,366)	(9,685,863)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		333,937	1,013,459
Non-controlling interests		(29,354)	-
TOTAL EQUITY		304,583	1,013,459

Current liabilities		
Trade and other payables	793,355	623,546
Borrowings	72,279	333,333
Total current liabilities	865,633	956,879

Non-current liabilities		
Other payables	31,311	-
Deferred tax liabilities	108,371	201,701
Total non-current liabilities	139,682	201,701

TOTAL LIABILITIES	1,005,315	1,158,580
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TOTAL EQUITY AND LIABILITIES	1,309,898	2,172,039
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REMOTE MONITORED SYSTEMS PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2019

	Attributable to owners of the parent						
	Share capital	Share premium	Other reserves	Translation reserve	Retained Loss (restated)	Minority Interests	Total
	£	£	£	£	£	£	£
As at 1 January 2018 (restated)	4,512,087	5,499,946	(253,109)	155,414	(9,269,692)	-	644,646
Loss for the period	-	-	-	-	(416,171)	-	(416,171)
Other comprehensive income for the period							
Currency translation difference	-	-	-	4,936	-	-	4,936
Total comprehensive income for the period	-	-	-	4,936	(416,171)	-	(411,235)
Proceeds from shares issued (net of costs)	189,305	441,925	-	-	-	-	631,230
Share based payments	42,771	77,729	-	-	-	-	120,500
Warrants Issued	-	83,163	(54,845)	-	-	-	28,318
Transactions with owners, recognised directly in equity	232,076	602,817	(54,845)	-	-	-	780,048
As at 30 June 2018 (restated)	4,744,163	6,102,763	(307,954)	160,350	(9,685,863)	-	1,013,459
As at 1 January 2019	4,791,746	6,330,629	(298,453)	92,181	(10,247,994)	22,228	690,337
Loss for the period	-	-	-	-	(672,372)	(51,582)	(723,954)
Other comprehensive income for the period							
Currency translation difference	-	-	-	(1,800)	-	-	(23,454)
Total comprehensive income for the period	-	-	-	(1,800)	(672,372)	(51,582)	(725,754)

Proceeds from shares issued (net of costs)	107,692	232,308	-	-	-	-	340,000
Transactions with owners, recognised directly in equity	107,692	232,308	-	-	-	-	340,000
As at 30 June 2019	4,899,438	6,562,937	(298,453)	90,381	(10,920,366)	(29,354)	304,583

REMOTE MONITORED SYSTEMS PLC

CONSOLIDATED STATEMENT OF CASH FLOW

For the six month period ended 30 June 2019

		Unaudited	Unaudited
		6 months	6 months
		ended	ended
		30 June	30 June
		2019	2018 (restated)
	Note	£	£
Cash Flows from Operating Activities			
Loss for the period before tax		(821,312)	(495,703)
Depreciation of property, plant and equipment		67,773	51,893
Share based payments		-	120,500
Impairments		181,728	196,998
Share of loss in associate		-	32,260
Finance costs		4,031	16,540
Finance income		(3)	(4)
Foreign exchange on operating activities		27	-
Taxation		-	100,297
Bad debts		1,680	-
Decrease in inventories		7,236	-
Decrease/(increase) in trade and other receivables		44,248	(66,473)
Increase/(Decrease) in trade and other payables		178,442	(86,542)
Cash used in operations		(336,150)	(130,234)
Interest expense		(4,031)	(16,540)
Net cash used in operating activities		(340,181)	(146,774)
Cash Flows used in Investing Activities			
Purchases of property, plant and equipment	7	(15,776)	(536,316)
Proceeds from disposal of property, plant and equipment		18,667	500
Investments in associates		-	(250,000)

Interest income	3	4
Net cash used in investing activities	2,894	(785,812)
Cash Flows from Financing Activities		
(Repayments of)/Net proceeds from borrowings	(94,387)	215,526
Issue of shares, net of issue costs	340,000	631,230
Net cash generated from financing activities	245,613	846,756
Net (decrease)/increase in cash and cash equivalents	(91,674)	(85,830)
Exchange gains	-	7,589
Cash and cash equivalents at beginning of period	109,381	502,998
Cash and cash equivalents at end of period	17,707	424,757

NOTES TO THE INTERIM RESULTS:

1. General information and accounting policies

The principal activity of Remote Monitored Systems plc (“the Company”) and its subsidiaries (together “the Group”) is the provision by Geocurve of Survey & Inspection services. The Company also has a 58% stake in GyroMetric Systems, which specialises in next generation digital monitoring and safeguarding technology and services for rotating shafts.

The Company is a public limited company, incorporated and domiciled in the United Kingdom, with its shares traded on the London Stock Exchange’s AIM. Its registered office is: Ground Floor, Tintagel House, Kelvedon, CO5 9BP.

This announcement is for the unaudited interim results for the period ended 30 June 2019.

The Directors approved these unaudited interim results on 27 September 2019.

2. Basis of preparation

The condensed consolidated interim financial information (the “Financial Information”) has been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 “Interim Financial Statements” in preparing this Financial Information. The Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. In the opinion of the Directors the Financial Information for the period represents fairly the financial position, results from operations and cash flows for the period in conformity with generally accepted accounting principles consistently applied.

The Financial Information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. The Financial Information has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the period ended 31 December 2018 were approved by the Board of Directors on 24 June 2019 and subsequently delivered to the Registrar of Companies and are also available on the Group’s website: www.remotemonitoredsystems.com. The independent auditor’s report on those financial statements disclosed a material uncertainty in relation to going concern.

The 2019 Financial Information of the Group has not been audited.

These interim results are presented in Sterling rounded to the nearest pound.

Going concern basis

The interim financial information has been prepared assuming that the Group will continue as a going concern. As at 31 August 2019, the group had cash and cash equivalents totalling £46,980.

The operational requirements of the Group comprise of maintaining a Head Office in the UK alongside its UK operations. The Directors have reviewed the Group’s working capital forecasts and Geocurve will be self-funding in 2019. Gyrometric requires additional investment to achieve sales growth.

The Company plans to raise further funds by a placing of ordinary shares. Should a placing not take place in a timely manner, the Directors will need to immediately raise additional funds in order to be able to continue as a going concern. The ability of the Company to raise additional funds is dependent upon investor appetite and, if necessary, the Directors’ ability to obtain alternative sources of funding.

The Directors have a reasonable expectation that the Company will be able to raise sufficient funding to allow it to cover its working capital for a period of twelve months from the date of approval of the interim financial information. It is for this reason they continue to adopt the going concern basis of accounting.

Risks and uncertainties

The Board continuously assesses and monitors the key risks facing the business. The key risks that could affect the Group’s medium-term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group’s 2018 Annual Report and Financial Statements. The Group is exposed to market risks (including foreign exchange risk and price risk), credit risk and to a limited extent, interest rate risk and liquidity risk.

Critical accounting estimates and judgements

The preparation of Financial Information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed in Note 4 of the Group's 2018 Annual Report and Financial Statements.

Accounting Policies

There have been no changes to the Group's accounting policies, presentation and methods of computation in this Financial Information compared to those which were applied in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2018.

3. Share capital

On 17 January 2019 the Company issued 53,846,154 new ordinary shares of 0.2p each at a price of 0.65p per share raising £350,000. Nigel Burton subscribed £100,000 for 15,384,615 shares and Trevor Brown also subscribed £100,000 for 15,384,615 shares.

4. Directors' Transactions

The directors of the Company who participated in the January 2019 Open Offer were as follows:

- Nigel Burton subscribed £100,000 for 15,384,615 shares
- Trevor Brown subscribed £100,000 for 15,384,615 shares

5. Earnings per share

Basic earnings per share have been calculated by dividing the loss attributable to equity holders of the Company after taxation by the weighted average number of shares in issue during the period. There is no difference between the basic and diluted earnings per share as the effect on the exercise of options and warrants would be to decrease the earnings per share.

	6 months ended 30 June 2019	6 months ended 30 June 2018 (restated)
Basic and Diluted	£	£
Loss after taxation	(723,954)	(416,171)
Weighted average number of shares	383,338,924	278,963,225
Earnings per share (pence)	(0.19)	(0.15)

6. Tax

No income tax charge was recognised in the statement of comprehensive income due to losses incurred.

	6 months ended 30 June 2019	6 months ended 30 June 2018 (restated)
Income tax	£	£
Current tax		
UK Corporation tax credit	-	-

Deferred tax		
Current year	97,358	79,532
Tax credit	97,358	79,532

The tax on the Group's loss before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to the profits/(losses) of the consolidated entities as follows:

	6 months ended 30 June 2019	6 months ended 30 June 2018 (restated)
	£	£
Loss before tax	(821,312)	(495,703)
Tax at the applicable rate of 19% (2018: 19%):	(156,049)	(94,184)
Effect of:		
Fixed asset timing differences	97,358	79,532
Net tax effect of losses carried forward	156,049	94,184
Tax credit for the year	97,358	79,532

The tax rate used is the standard rate of corporation tax in the UK 19% as all US operations have been closed.

7. Property, plant and equipment

There were no material fixed asset movements in the current period. In the previous period ended 30 June 2018, the Pegasus Two Ultimate Mobile Mapping Equipment and Backpack were purchased for £500,000 and UAV equipment for £18,427.

8. Investment in associates

	6 months ended 30 June 2019	6 months ended 30 June 2018
	£	£
1 Jan	217,740	-
Additions	-	250,000
Share of loss	(10,012)	(32,260)
Reclassification to subsidiary (note 9)	(207,728)	
30 Jun	-	217,740

Nature of investment in associates during 2018:

Name of entity	Registered office address	% ownership interest	Measurement method
GyroMetric Systems Limited	Dockholme Lock Cottage, 380 Bennett Street, Long Eaton, Nottingham, NG10 4JF	36.9%	Equity

9. Acquisition of subsidiary undertakings

The Company gained control of GyroMetric Systems Limited in September 2018. The control was gained by two separate transactions, the first in April 2018, acquiring 36.9% of Gyrometric System's share capital for a cash consideration of £250,000. The second transaction in September 2018, acquired 20.9% of Gyrometric System's share

capital by allotting 23,791,304 new shares in RMS plc at 1.15p, at a total cost of £273,600. RMS plc now has a total controlling holding in Gyrometric Systems of 57.8%.

		On acquisition (£)
<u>Purchase consideration</u>		
Cash	250,000	
Shares (23,791,304 shares @ 1.15p)	<u>273,600</u>	
		523,600
Non-controlling interest		60,975
Fair value of net assets acquired (see below)		(144,491)
Share of loss in associate		(42,272)
Intellectual property		<u>(73,000)</u>
Goodwill		<u>324,812</u>

The fair value of net assets and liabilities arising from the acquisition are as follows:

	On acquisition £
Cash and cash equivalents	141,439
Property, plant and equipment	706
Inventory	7,079
Trade and other receivables	16,253
Trade and other payables	(14,873)
Director loans	<u>(6,113)</u>
Net assets acquired	<u>144,491</u>

If new information obtained within one year from the acquisition date about the facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised.

10. Trade and Other Receivables

Included within the trade and other receivables balance of £210,283 is £21,000 owing from TEAM2100 in respect of the Thames Project. The restated comparative amount, after adjusting for the £140,000 identified as an audit adjustment in 2018, is £55,383 owing from TEAM2100 in respect of the Thames Project.

11. Dividends

No dividend has been declared or paid by the Company during the 6 months ended 30 June 2019 (2018: nil).

12. Events after the reporting period

In July 2019 Trevor Brown and Paul Ryan agreed to convert all, or substantially all, outstanding compensation amounting to approximately £95,000, into a total of 21,101,715 ordinary shares of 0.2p each at a price of 0.45 pence per share. Trevor Brown converted £24,000 of fees for 5,333,333 Shares and Paul Ryan has converted £70,958 of fees for 15,768,382 Shares.

In July 2019, the Directors also issued unsecured convertible loan notes for a total of £100,000. The convertible loan notes have an annual coupon of 6%, expire on 4 July 2020 and are convertible into 22,222,222 ordinary shares of 0.2p each in the Company ("Shares") at a price of 0.45 pence per share. Mr Trevor Brown and Dr Nigel Burton both subscribed to £33,333 convertible loan notes and Mr Paul Ryan subscribed to £33,334.

12. Approval of the interim financial information

The condensed Financial Information were approved by the Board of Directors on 27 September 2019.