

2 November 2018

**PRELIMINARY ANNOUNCEMENT OF THE AUDITED RESULTS OF
OLEEO PLC**

Chairman's Statement

I am pleased to present the preliminary statement of Oleeo Plc ("Oleeo" or the "Company"), which show the results of the Company for the year to 31 July 2018.

Financial and Operating review

Revenues were £9,981,563, 1.4% up on £9,848,048 reported in the previous year. Meanwhile, as anticipated in my full year statement for 2017, profits before tax for 2018 are significantly down at £490,504 compared to last year's profit of £811,543. The slight increase in revenues was underpinned by an increase in ongoing subscription revenues counteracted by lower implementation revenues. The average headcount rose very slightly broadly in line with sales, while operating profit fell as salary, marketing and other costs increased.

The changes in Key Performance Indicators between the financial years 2017/2018 and 2016/2017 were as follows:

	2017/18	2016/17
	£	£
Sales per employee	86,796	86,513
Operating profit per employee	4,111	6,783

All Oleeo employees are motivated by two goals – highly satisfied & retained clients and the acquisition and smooth on-boarding of new clients – achieved through the development, implementation and ongoing support of innovative technology to enable our clients to recruit high quality and diverse new hires. As we seek to support clients, innovate and broaden our markets, these goals have been pursued over the past year by our existing experienced team and through increased resources across customer support, delivery, product development, and marketing. Inevitably these increased costs have impacted heavily on our profits and will continue to do so for the foreseeable future.

An experienced team, successful clients, and strong technology provide a solid foundation. However an uncertain general economic outlook, a tough environment for our clients and prospects, an extremely competitive market, lower than expected new sales, known reductions in revenues from the existing clients this year and next, and upward pressure on costs as we seek to grow through additional investments in customer success, marketing and product development provide continued downward pressure on sales and profits and a highly challenging and uncertain outlook for sales and, more particularly, profits, which are expected to be substantially lower in the current year than in the year which has just closed.

The team at Oleeo always go above and beyond the call of duty, I would like to thank everyone for their hard work and dedication.

Principal risks and uncertainties

Commercial and operational risk

Competitive pressure and economic instability is a continuing and growing risk for the Company. The Company manages this risk by developing leading edge products capable of driving significant transformation and value within our clients, through high levels of customer service, by managing resource levels and pursuing opportunities for continuous improvement.

The business is dependent upon clients' ability to safely access data held on our servers and satisfy data protection legislation. In order to ensure that service availability is not affected by a breakdown in power supplies or by other physical hazards our servers are housed offsite in secure facilities on the premises of a specialist provider of such facilities. Third party security experts are also regularly engaged to advise on data security and to ensure the company has appropriate defences against "hacking". In addition, we maintain a rigorous, ISO27001 accredited, security management system.

Financial risk

The main risk arising from the Company's activities is currency risk. This is monitored by the Board of directors and was not considered to be significant at the balance sheet date.

Dividends and Share Buybacks

The directors are pleased to recommend the payment of a dividend of 3.5p per share, which is the same as that paid in respect of the previous year. This dividend will be subject to the approval of shareholders at the Annual General Meeting to be held at 5-7 Bridgeworks, The Crescent, London SW19 8DR at 10.30 am, on 14 December 2018, and, if approved, will be payable on 21 December 2018 to shareholders on the register as at 23 November 2018.

The Board will be seeking at the Annual General Meeting the extension of the authority granted last year to make market purchases of ordinary shares, within the usual limits for a listed company. In assessing whether in practice to use this authority, the Board will take into account all relevant factors including the effect on earnings per share and assets per share ratios and other benefits to shareholders

This strategic report was approved on 2 November 2018 by the Board.

Charles EH Hipps
Chairman, Oleeo Plc

CONSOLIDATED INCOME STATEMENT

For the Year Ended 31 July 2018

	2018 £	2017 £
Revenue	9,981,563	9,848,048
Total administrative expenses	9,508,835	9,075,921
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Operating profit	472,728	772,127
Finance income	17,776	39,416
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Profit on ordinary activities before taxation	490,504	811,543
Income tax	98,233	194,856
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Profit for the year	392,271	616,687
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Earnings per share		
Basic	5.16p	8.15p
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Diluted	5.10p	8.05p
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2018

	2018 £	2017 £
Assets		
Non-current assets		
Property, plant and equipment	200,619	170,848
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Current assets		
Trade and other receivables	1,712,532	1,454,107
Short term investments	7,750,000	-
Cash and cash equivalents	3,503,758	11,631,288
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Total current assets	12,966,290	13,085,395
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Total assets	13,166,909	13,256,243
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Equity		
Issued capital	7,620	7,586
Share premium	1,690,158	1,649,024
Capital redemption reserve	708	708
Translation reserve	6,409	(1,188)
Retained earnings	8,414,702	8,273,990
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Total equity	10,119,597	9,930,120
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Liabilities		
Non-current liabilities		
Deferred tax	30,148	21,822
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Liabilities		
Current liabilities		
Trade and other payables	2,977,024	3,183,567
Corporation tax	40,140	120,734
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Total current liabilities	3,017,164	3,304,301
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Total liabilities	3,047,312	3,326,123
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Total equity and liabilities	13,166,909	13,256,243
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CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 July 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the year	392,271	616,687
Adjusted for ;		
Depreciation	112,570	94,104
Share based payments	13,951	13,652
(Increase)/decrease in receivables	(258,425)	845,076
(Decrease)/increase in payables	(206,543)	316,322
Finance income	(17,776)	(39,416)
Corporation tax expense	98,233	194,856
Loss on disposal of fixed assets	10,637	-
Other	7,598	(6,783)
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Taxation	152,516	2,034,498
	(170,501)	(242,047)
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Net cash (outflow)/inflow from operating activities	(17,985)	1,792,451
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Cash flows from investing activities		
Interest received	17,776	39,416
Purchase of property, plant and equipment	(152,978)	(124,778)
Short term investments	(7,750,000)	-
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Net cash outflow from investing activities	(7,885,202)	(85,362)
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Cash flows from financing activities		
Proceeds from issue of shares	41,168	54,027
Purchase of own shares	-	(37,050)
Equity dividends paid	(265,510)	(264,745)
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Net cash outflow from financing activities	(224,342)	(247,768)
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(Decrease)/increase in cash in the year	(8,127,529)	1,459,321
Cash and cash equivalents at beginning of year	11,631,287	10,171,966
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Cash and cash equivalents at end of year	3,503,758	11,631,287
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Notes

1. The income statement incorporates the consolidated results of Oleeo Plc and its subsidiary for the year ended 31 July 2018. The accounting policies used in the preparation of these audited results are unchanged from those adopted by the company in previously published annual financial statements.

2. Earnings per share

Basic earnings per share

This is calculated by dividing the profit of £392,271 (2017 - £616,687), being the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue throughout the year of 7,603,029 (2017 - 7,568,480)

Diluted earnings per share

The weighted average number of shares for 2018 for this calculation was 7,688,598 (2017 - 7,662,261). This is calculated based on the weighted average number of ordinary shares adjusted by 85,569 (2017 - 93,781) to recognise the effect of the potential issue of further ordinary shares as a result of the exercise of share options

3. The directors are recommending the payment of a dividend of 3.5p per share.
4. The preliminary announcement was approved by the board on 2 November 2018. The Company's annual accounts will be sent to shareholders on 21 November 2018 and copies will be available from the company's office at 5-7 Bridgeworks, The Crescent, London SW19 8DR and on the Company's website at www.oleeo.co.uk.
5. The financial information does not constitute the company's statutory accounts, within the meaning of Section 435 of the Companies Act 2006, for the years ended 31 July 2018 or 2017 but is derived from those accounts. Statutory accounts for 2017 have been delivered to the Registrar of Companies and those for 2018 will be delivered following the company's forthcoming annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and did not contain statements under the Companies Act 2006, s498(2) or (3).

Enquiries

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