

Regulatory Announcement

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Company	CustomVis plc
TIDM	CUS
Headline	Interim Results
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CustomVis Plc ("CustomVis" or the "Company")

Interim results for the six months ended 31 December 2008

CustomVis (AIM: CUS) develops, manufactures and sells laser systems for refractive surgery of the eye. To date, sales are in many countries worldwide, excluding the US. The Directors believe it is currently the only company in the world marketing a solid state laser to perform this surgery. Solid state is widely accepted as the next generation technology for this industry as it overcomes known shortcomings of the gas excimer lasers currently used for this purpose.

HIGHLIGHTS

- Revenue increased by 75.9% to £904,733 (2007: £514,232)
- Gross profit increased by 77.9% to £490,611 (2007: £275,711)
- Installed laser base of 35, with a further two installed since period end, in a total of 19 countries
- Low-cost portable retinal camera is now under live evaluation
- Results from the Presbyopia trial continue to look extremely promising

Paul van Saarloos, CEO of CustomVis, commented, "The continuing improvement in revenues reflects both the improved performance of the product and management of the company, and gives confidence that we can achieve our current key goal of becoming cash flow positive without raising further funds."

For further information, please contact:

CustomVis Plc
Paul van Saarloos, CEO +61 410 497 456

John East & Partners Limited

David Worlidge or Simon Clements 020 7628 2200

ICIS

Christian Taylor-Wilkinson or Mike Smith 020 7651 8688

CHAIRMAN'S STATEMENT

I am pleased to report on the Group's activities for the first half of the 2008/09 financial year. Following on from the previous financial year, there is clear evidence of the continued installed base growth of the Group's flagship product, the Pulzar Z1™ laser. This has led to a significant increase in sales revenue. We remain steadfast in our view that solid state will become the natural next generation laser choice for the refractive surgical industry and are not aware of any other solid state laser development for the same application as our product.

At 30 June 2008, the Group had installed 28 Pulzar Z1™ lasers and this number increased to 35 by 31 December 2008. More importantly, these lasers had treated approximately 90,000 eyes and interest in the laser continues to gain momentum. Since the period end, two more lasers have been installed, taking the installed base to 37 lasers in 19 countries, and our order book remains strong.

FINANCIAL REVIEW

The Group achieved revenue of £904,733 (2007: £514,232) for the six months ended 31 December 2008, an increase of 75.9 per cent. on the comparative period last year and a gross profit of £490,611 (2007: £275,711), an increase of 77.9 per cent. on the comparative period last year. With an increase in costs and expenses in line with increased sales, marketing, production and service activities, the Group incurred a loss after tax of £222,929 (2007: £568,056). Loss per share for the period was 0.13p (2006: loss of 0.6p), reduction of 78 per cent. on the comparative period last year.

Group net assets at 31 December 2008 were £3.24 million (31 December 2007: £2.44 million). Net current assets at that date were £2.4 million (2007: £1.79 million), which included cash funds of £625,741 (2007: £181,774).

OPERATIONAL REVIEW

We continue to experience strong interest at all ophthalmic exhibitions and through our sales and distribution network. During the period we appointed key staff to focus directly on sales and marketing, while expanding our distributor network. Distributors are active in 21 countries in Europe, the Middle East, Asia and South America. In addition to having strong local knowledge, distributors provide front-line service thereby enhancing customer satisfaction.

Prior focus on India, Pakistan and the Philippines has benefited the Group as has the efforts in South America. With increasing acceptance of this leading-edge technology, sales interest is growing in Europe. The UK and mainland Europe represent a very important market for CustomVis as this is a market traditionally dominated by excimer gas lasers and sales prices in Europe tend to provide the Group with higher margins overall. We now have six lasers in Europe, and a contract signed for full payment on a laser installation from Spain. Several clinics are looking to upgrade their existing Pulzar Z1™ lasers with a new model, which will allow the Company to re-commission these existing lasers and sell them to new customers, thereby expanding the user and patient experience into the region.

In addition to the 20 per cent. reduction in costs of manufacture achieved in the year ended 30 June 2008, there have been further reductions achieved through the R&D Department amounting to another 10 per cent. The current lasers now have a significantly lower cost of production than our first 20 lasers.

The Company has received many more reports of impressive clinical results for both standard and customised surgery since completing the scanner controller upgrades reported in the 2008 Annual Report. Instrument enhancements aimed at increasing safety and reliability, faster set-up and throughput for the surgeon and enriched operating features, are all planned to be put into effect over

the next six months and will ensure the lasers remain cost competitive. We are confident these and other changes will make the Pulzar Z1™ a compelling alternative for laser vision correction, particularly during this period of economic down turn.

The project to develop a new multipurpose ophthalmic laser, for which an Australian government grant of AUD \$2.3 million was awarded, is currently about 60 per cent. complete. The project has a further year of external support of non-diluting funding.

The advanced prototype of our low-cost portable retinal camera is now under evaluation by a number of leading ophthalmologists and optometrists. When launched, this product will have a short sales cycle primarily through our existing distribution network and should contribute meaningful profit margins to the Group in the next financial year. The camera has uses in the monitoring of debilitating eye diseases such as glaucoma and diabetes, the prevalence of both are increasing rapidly due to demographic shifts and life-style changes. The World Health Organisation has described glaucoma as the second leading cause of blindness after cataracts. Our marketing approach will also include the use of the camera in veterinary practices.

The results from the Presbyopia trial continue to look extremely promising and we expect to submit to Australian TGA for regulatory approval to sell this procedure in the third quarter of this calendar year.

Further, the Group is currently evaluating three revenue expansion initiatives; contract manufacturing of an advanced healthcare device with suitable margins, the sale and distribution of an OEM green laser for ophthalmic applications thereby leveraging our worldwide network, and the Australian distribution rights for a key ophthalmic analytical instrument. These evaluations are due for completion in the next two months.

CURRENT TRADING

As reported in our Annual Report 2008, our new auditors have determined that the sale of a laser is recorded when the laser is installed. Since the period end, the Group has installed two further lasers. With continued growth of our installed base and the increased marketing, sales and distribution network, an accelerated growth in sales is anticipated.

Interest continues to grow in India, where we now have nine lasers installed. It is also pleasing to see the development of the EU region with lasers now in France, the Netherlands, the UK (Channel Islands), Crete and Portugal. The Group is in advanced discussions with a number of trial centres in Europe, which we anticipate may lead to significant further sales in the EU, as well as the Middle East and South America. Recently, we strengthened our regulatory department to streamline marketing approval applications in major market areas.

BOARD AND SENIOR MANAGEMENT CHANGES AND MEDICAL ADVISORY BOARD

In September 2008, the Board accepted the resignation of Dr Jain as an executive director of the Company following him being placed on garden leave in accordance with his service contract. We are grateful for the period of service provided by Dr Jain. As noted in the 2008 Annual Report, Dr Jain has issued a writ against the Company. We anticipate forced mediation will be ordered by a court following his refusal to meet and settle his issues.

During this reporting period, we have appointed Dr Guillermo Torres as President of Sales Latin America and Mr Gan Boon Heng as President of Sales Asia Pacific. Both are very experienced in the area of refractive laser sales. The appointment of a European sales representative is imminent.

The Board has resolved to set up a Medical Advisory Board, which Professor Rosen (a non-executive director of the Company) will chair. The Medical Advisory Board is being created to monitor new technologies and anticipate needs that can be considered by the Group for business opportunities. It is proposed that a number of key opinion leaders from the ophthalmic industry will be asked to join the Medical Advisory Board.

OUTLOOK

The Group began 2009 with a strong pipeline of sales and with revenue for first half of the current

financial year equating to 78 per cent. of the total revenue for year ended 30 June 2008. We are cognisant of the world economic conditions. The Board and senior management are applying careful attention to all aspects of the business to minimise expenditures while maximising opportunities realisable due to the operating advantages of the Pulzar™ Z1, the existing market conditions and any currency adjustments due to our business model.

The Board would like to thank its staff for their continuing hard work and the shareholders for their continuing support.

Simon Carroll
Chairman

18 March 2009

INDEPENDENT REVIEW REPORT TO CUSTOMVIS PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2008 which comprises the group income statement, the group statement of changes in equity, the group balance sheet and the group cash flow statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the European Union.

As disclosed in note 1, the annual financial statements of the Group and the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 2 to the interim financial statements which explain the directors' assumptions as to the continuing application of the going concern concept. The directors are optimistic as to the continued development of the business of the Group. However, unless an increase in sales is achieved, there remains doubt as to the ability of the Group to continue as a going concern. The interim financial statements do not include any

adjustments that would result if the Group was unable to continue as a going concern.

HORWATH CLARK WHITEHILL LLP

London

18 March 2009

**Unaudited Consolidated Income Statement
for the six months ended 31 December 2008**

Notes	Six months to 31 December 2008 (Unaudited)	Six months to 31 December 2007 (Unaudited)	Year to 30 June 2008 (Audited)
	£	£	£
Revenue	904,733	514,232	1,161,312
Cost of Sales	(414,122)	(238,521)	(532,570)
Gross profit	490,611	275,711	628,742
Other income	134,540	155,880	436,378
Staff expenses	(742,905)	(610,776)	(1,162,385)
Marketing expenses	(102,654)	(113,189)	(346,184)
Depreciation	(37,464)	(50,512)	(115,420)
Occupancy expenses	(105,913)	(109,974)	(197,527)
Share based payments	(17,597)	(5,282)	(9,743)
Administrative expenses	(303,730)	(246,253)	(658,962)
Foreign exchange (loss)/gain	462,183	136,338	2,481,397
(Loss)/Profit before tax	(222,929)	(568,056)	1,056,296
Income tax expense	-	-	(397,594)
(Loss)/ Profit for the period attributable to the equity holder of the parent	(222,929)	(568,056)	658,702
(Loss)/Earnings per share			
Basic	4 (0.13p)	(0.60p)	0.56p
Diluted	(0.13p)	(0.60p)	0.56p

**Unaudited Consolidated Balance Sheet
as at 31 December 2008**

Notes	Six months to 31 December 2008 (Unaudited)	Six months to 31 December 2007 (Unaudited)	Year to 30 June 2008 (Audited)
	£	£	£
Current assets			
Cash and cash equivalents	625,741	181,774	1,493,249
Trade and other receivables	1,434,571	985,858	800,057
Prepayments	44,781	38,490	79,286
Inventory	1,371,799	1,308,427	1,509,972
	3,476,892	2,514,549	3,882,564
Non-current assets			
Trade and other receivables	991,133	708,918	664,213
Property, plant & equipment	109,257	186,533	145,274
	1,100,390	895,451	809,487
Total assets	4,577,283	3,410,000	4,692,051

Current liabilities			
Trade and other payables	676,604	715,127	749,464
Provision for taxation	397,594	-	397,594
	1,074,198	715,127	1,147,058
Non-current liabilities			
Payables due after one year	256,780	246,324	189,100
Total liabilities	1,330,978	961,451	1,336,158
Net assets	3,246,305	2,448,549	3,355,893
EQUITY			
Issued share capital	5,504,424	4,765,957	5,504,424
Reserves	10,518,637	10,850,501	10,405,296
Retained earnings	(12,776,756)	(13,167,909)	(12,553,827)
Total equity attributable to equity holders of the parent	3,246,305	2,448,549	3,355,893

**Unaudited Consolidated Statement of Changes in Equity
for the six months ended 31 December 2008**

Notes	Six months to 31 December 2008 (Unaudited)	Six months to 31 December 2007 (Unaudited)	Year to 30 June 2008 (Audited)
	£	£	£
Share capital			
Opening balance	5,504,424	4,765,957	4,765,957
Proceeds from new share issue	-	-	738,467
	5,504,424	4,765,957	5,504,424
Share premium reserve			
Opening balance	11,802,901	10,301,015	10,301,015
Proceeds from new share issue	-	-	1,661,551
Costs arising from share issue	-	-	(159,665)
	11,802,901	10,301,015	11,802,901
Options reserve			
Opening balance	426,758	417,015	417,015
Recognition of share based payments	17,597	5,282	9,743
	444,355	422,297	426,758
Foreign currency translation reserve			
Opening balance	(1,824,363)	127,189	127,189
Exchange differences arising on translation of foreign operations	95,744	-	(1,951,552)
	(1,728,619)	127,189	(1,824,363)
Retained earnings			
Opening balance	(12,553,827)	(13,212,529)	(13,212,529)
Net profit/(loss) for the period	(222,929)	(568,056)	658,702
Prior period adjustment	-	612,676	-
	(12,776,756)	(13,167,909)	(12,553,827)

Unaudited Consolidated Cash Flow Statement

for the six months ended 31 December 2008

Note	Six months to 31 December 2008 (Unaudited) £	Six months to 31 December 2007 (Unaudited) £	Year ended 30 June 2008 (Audited) £
Cash flow used in operating activities			
Profit/(Loss) for the period	(222,929)	(568,056)	658,702
Adjustments for:			
Depreciation	37,464	50,512	115,420
Share based payments	17,597	5,282	9,743
Net finance costs	(16,905)	(12,807)	(22,858)
Provision for bad and doubtful debts	-	-	30,000
Unrealised foreign exchange rate differences	(375,676)	(136,388)	(2,481,397)
Other payments	-	755,817	-
	(560,449)	94,360	(1,690,390)
Increase in receivables	(441,994)	(809,785)	(604,388)
Increase/(Decrease) in payables	(1,181)	(202,639)	13,377
Decrease/(Increase) in inventory	125,155	190,510	(3,378)
Provision for taxation	-	-	397,594
Net cash used in operating activities	(878,469)	(727,554)	(1,887,185)
Cash flow used in investing activities			
Payments for property, plant and equipment	(2,207)	(878)	(5,520)
Net cash used in investing activities	(2,207)	(878)	(5,520)
Cash flow from financing activities			
Proceeds from Interest and investment income	16,905	12,807	22,858
Proceeds from issue of equity shares	-	-	2,240,353
Net cash from financing activities	16,905	12,807	2,263,211
Net (decrease)/increase in cash and cash equivalents	(863,771)	(715,625)	370,506
Exchange gains on cash and cash equivalents	(3,737)	-	225,344
Cash and cash equivalents at beginning of the financial period	1,493,249	897,399	897,399
Cash and cash equivalents at the end of the financial period	625,741	181,774	1,493,249

Notes to the Interim Results for the six months ended 31 December 2008

1. Basis of preparation

These interim consolidated accounts are for the six months ended 31 December 2008 and have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) adopted for use by the European Union. The accounting policies and methods of computation used in the interim consolidated financial statements are consistent with those used in the Annual Report for 2008 and are expected to be applied for the year ended 30 June 2009.

The interim results for the six months ended 31 December 2008 are not necessarily indicative of the results to

be expected for the full 2009 year.

2. Going Concern

Having considered the guidance given in the document Going Concern and Financial Reporting: Guidance for Directors of Listed Companies Registered in the UK issued in November 1994 by the Going Concern Working Group, the Directors have formed a judgement that, at the time of approving these interim accounts there is a reasonable expectation that the Group has adequate resources and likely income to continue in operational existence for the foreseeable future and therefore adopt the going concern basis for the accounts. However, the continued going concern of the Group is dependent upon the Group achieving its revenue forecasts.

3. Taxation

No corporation tax has been provided for the December 2008 period as the projected taxable losses for the period and taxation losses brought forward indicate that the Group will have no tax liability for the period.

Deferred tax assets arising from trading losses have not been recognised on the basis that their future economic benefit is uncertain.

4. (Loss)/Earnings per share

	Six months to 31 December 2008 £	Six months to 31 December 2007 £	Year to 30 June 2008 £
(Loss)/Profit used in calculating basic and diluted earnings/(loss) per share from continuing operations	(222,929)	(568,056)	658,702
Weighted average number of shares in issue	169,165,848	95,319,148	117,922,043

Diluted loss per share has been calculated using the same figures as the basic calculation. No account has been taken of options, as these potential Ordinary Shares are not considered to be dilutive under the definitions of the applicable accounting standards.

5. Segment Result

For the six months ended 31 December 2008

	UK/Europe	Australasia	Rest of World	Total
Revenue				
Sales	354,213	-	550,520	904,733
Other	13,554	120,986	-	134,540
Total	367,767	120,986	550,520	1,039,273
Segment Result	231,101	(708,846)	254,816	(222,929)
Assets				
Property, plant & equipment	28,561	80,696	-	109,257
Other	937,225	1,590,238	1,940,563	4,468,026
Total	965,786	1,670,934	1,940,563	4,577,283
Liabilities	564,726	396,832	369,419	1,330,977
Depreciation	28,560	8,904	-	37,464

For the six months ended 31 December 2007

	UK/Europe	Australasia	Rest of World	Total
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Revenue				
Sales	54,197	-	460,035	514,232
Other	-	155,880	-	155,880
Total	54,197	155,880	460,035	670,112
Segment Result	74,265	(939,380)	297,059	(568,056)
Assets				
Property, plant & equipment	81,784	104,749	-	186,533
Other	398,582	1,469,064	1,355,821	3,223,467
Total	480,366	1,573,813	1,355,821	3,410,000
Liabilities	247,042	517,350	197,059	961,451
Depreciation	22,373	28,139	-	50,512

For the year ended 30 June 2008

	UK/Europe	Australasia	Rest of World	Total
Revenue				
Sales	118,696	42,718	999,898	1,161,312
Other	-	436,378	-	436,378
Total	118,696	479,096	999,898	1,597,690
Segment Result	(301,386)	890,354	467,328	1,056,296
Assets				
Property, plant & equipment	57,121	88,153	-	145,274
Other	1,216,058	2,039,923	1,290,796	4,546,777
Total	1,273,179	2,128,076	1,290,796	4,692,051
Liabilities	572,751	463,933	329,475	1,366,159
Depreciation	59,744	55,676	-	115,420

6. Share Capital

	As at 31 December 2008 (Unaudited) No. shares	As at 31 December 2007 (Unaudited) No. shares	As at 30 June 2008 (Audited) No. shares
Notes			
Authorised shares			
Ordinary shares of 5p each	-	200,000,000	-
Ordinary shares of 1p each	618,723,408	-	618,723,408
Deferred shares of 4p each	95,319,148	-	95,319,148
	714,042,556	200,000,000	714,042,556
Issued capital			
(a) Ordinary shares			
Opening balance	169,165,849	95,319,148	95,319,148
Shares issued for cash	-	-	73,846,701
	169,165,849	95,319,148	169,165,849
(b) Deferred shares			
Opening balance	95,319,148	-	-
Shares issued as a result of capital reorganisation	-	-	95,319,148
	95,319,148	-	95,319,148

In February 2009, the Company undertook the following capital reorganisation;

- each of the issued ordinary shares of 1p each have been subdivided and redesignated into one new ordinary share of 0.01p each and one deferred share of 0.99p each; and
- each of the authorised and unissued ordinary shares of 1p each have been redesignated into 100 New Ordinary Shares of 0.01p each.

Notes to the Interim Results for the six months ended 31 December 2008 (continued)

7. Dividends

No dividends were paid or are proposed in respect of the six months ended 31 December 2008.

8. Copies of the interim results will be sent to shareholders shortly and will be available from the registered office of the Company, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH and from the Company's website www.customvis.com.

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