MBH CORPORATION PLC

UNAUDITED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2019

COMPANY REG NUMBER 10238873

PARENTA GROUP

ACACIA TRAINING

CAPE

DUBOULAY CONTRACTS

GUILDPRIME

APEV

MBH CORPORATION

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OFFICERS AND PROFESSIONAL ADVISERS 30 JUNE 2019

The Board of Directors

Mr Callum Laing
Mr Allan Michael Presland
Mr Victor Tan
Mr David Hallam
Mr Toby David Street
Ms Victoria Sylvester (appointed 29th May 2019)

Company registration number

10238873

Registered office

7 Royal Victoria Patriotic Building
John Archer Way
London SW18 3SX
United Kingdom

Share registrar

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London EC1M 4BH
United Kingdom

UK solicitors to the Company

Bryan Cave Leighton Paisner LLP
Adelaide House
London Bridge
London EC4R 9HA
United Kingdom

STOCK EXCHANGE LISTING

MBH Corporation plc is listed on:

Primarmarkt of the Dusseldorf stock exchange

Frankfurt Stock Exchange (M8H)
Bloomberg (M8H:GR)

CHAIRMAN'S STATEMENT

It’s always easy to forget the age of something, particularly when you have been heavily invested for a long period of time.

In our case, MBH Corporation PLC only reached its listing on the Frankfurt Borse a little over 7 months prior to this statement date, and yet our growth is significant.

In that time, our 3 original companies, Parenta, Cape and Acacia have continued to thrive within their new listed environment. To this group, we have added four more companies. du Boulay and Guildprime within the Construction Services Vertical, International School of Beauty to our Education Vertical, who are all based in the UK, and APEV to our newly formed Engineering Vertical, based in south-east Asia. As a consequence, our revenues have increased from £ 37m per annum at the end of 2018 to £97m per annum, and we have added an extra £6m of EBITDA.

Whilst our model remains growth through acquisition, it is encouraging to report our original portfolio companies maintaining steady organic growth. We have seen top line growth of 7% and EBITDA growth of 6% for this group compared to the same period last year.

Whilst these companies continue to evidence such organic growth, they are also looking to expand through acquisition within their own respective fields, providing proof that our model works for tactical acquisitions (for consolidating existing positions) as well as for strategic acquisitions in new verticals or new geographies.

Our commitment to diversification remains undiminished then. We now have assets in Education, Construction Services and Engineering, and our geographical spread extends from the UK, to New Zealand, Singapore and Papua New Guinea.

However, this is just the beginning. Our ambition for further EPS accretive acquisitions will continue this trend.

Allan Presland
Non-Executive Chairman
MBH Corporation PLC

CALLUM LAING
CHIEF EXECUTIVE OFFICER

CEO'S STATEMENT

Dear fellow owners,

It has been a great first half of 2019 which sets us up for a very exciting second half of the year.

Key headlines of our achievements the first half of 2019 are:

- Revenue and EBITDA are up 7% and 6% respectively for the companies that were part of the original listing;
- Cashflow from operating activities of £1.5m;
- Working capital position increased to £7.5m with cash on hand of £4.3m; and
- Since listing, we have acquired DuBoulay, Guildprime, International School of Beauty, and APEV. Four fantastic businesses with APEV opening another industry vertical (Engineering Vertical) and another geographic location (South East Asia).

The 3 value drivers that MBH focus on are:

- Accretive acquisitions through the Agglomeration™ methodology
- Organic Growth
- Synergies within the group.

Whilst we are not dependent on organic growth and synergies within the group to ensure we hit targets, it is always very pleasing to see companies thriving within the MBH environment and being able to win bigger contracts as part of a PLC.

On the acquisition front, we had a relatively, for us, slow start in 2019 as we got familiar with our new listed status in Germany, but the acquisitions have already started to ramp up and we are still confident that we will end the year with at least 15 companies within the group. Finally on the topic of synergies, we are looking forward to bringing all of the companies in the group together for our bi-annual team meeting at the beginning of October. Since our last meeting we have seen some fantastic sharing of ideas, resources and best practice between the companies. We only expect that to increase as we add more companies and facilitate their introductions.

Our model provides us with the ultimate in decentralised management, with the Principals (typically the founders of their businesses) on the front lines and heavily incentivised in the long term growth of both their own businesses and consequently MBH. We believe we have the best possible structure for dealing with the uncertain times we live in. Who better to solve problems as they arise then entrepreneurial business owners with a vested interest in the outcome?

Here is not the place, but in our 2019 end of year report I will expound further on the long term goals of MBH and how we intend to continue to attract and support the best small businesses from around the world in a way that creates ongoing and sustainable significant shareholder value.

Overall it has been a very positive start to the year. As I write this we are about to move into what will be a very exciting final quarter.

Interestingly, with the companies we currently have in the group, based on previous years, the bulk of their earnings have come in the second half. Typically, around 65% to 70% of the full years earnings fall between July and December and we have no reason to expect different this year.

Thanks again for your support. Do check our website to see a video of some of the Board discussing these results in more detail and sharing our thoughts.

REVIEW OF FINANCIAL RESULTS

REVIEW OF FINANCIAL PERFORMANCE
(Consolidated Statement of Comprehensive Income)

There are no comparatives available as the first company was acquired in 22 August 2018. The overall increase in the financial performance of the Group is due to both organic growth and acquisitions completed in 2019. For the 6 months ended 30 June 2019, the Group has completed three acquisitions namely, Guildprime, APEV and International School of Beauty Therapy, a 25 year established beauty school. Du Boulay was acquired in December 2018 and started contributing revenues to 2019.

REVENUE for the half year ended 30 June 2019 totalled £21.25m which comprises of revenue from companies acquired in 2018 of £15.9m and newly acquired companies in 2019 of £6.05m. The growth in organic revenue from companies acquired in 2018 was 7%.

Earnings before interest, tax, depreciation and amortization (“EBITDA”) for the half year ended 30 June 2019 totalled £1.7m which comprises EBITDA from companies acquired in 2018 of £1.49m and newly acquired companies in 2019 of £0.5m. The growth in organic EBITDA from companies acquired in 2018 was 6%. Fully diluted earnings per share for the half year ended 30 June 2019 are £0.033.

REVIEW OF FINANCIAL POSITION
(Statements of financial position)

The current assets increase by 213% or £20.91m from £9.99m as at 31 December 2018 to £31.24m as at 30 June 2019 is primarily due an increase in cash of £3.11m and trade debtors and other receivables of £17.4m.

The non-current assets increase by 114% or £37.35m from £32.7m as at 31 December 2018 to £70.0m as at 30 June 2019 is primarily due to the addition of provisional goodwill arising from acquisitions of APEV and Guildprime Specialist Contracts Ltd in June 2019.

The current liabilities increase by 521% or £52.04m from £9.99m as at 31 December 2018 to £62.03m as at 30 June 2019 is primarily due to:

a) contingent consideration of approximately £38.35m for both initial consideration and earn out consideration for the acquisitions made in the half year to 30 June 2019;

b) an increase in trade payables by £16.89m.

We note that the all contingent consideration will be satisfied by the issuance of shares in accordance with the share purchase agreements for the acquisition of APEV and Guildprime Specialist Contracts Ltd. Current liabilities excluding the contingent consideration is £23.68m.

The non-current liabilities increase by 113% or £4.90m from £4.33m as at 31 December 2018 to £9.23m as at 30 June 2019 is primarily due to the contingent consideration that maybe payable based on certain directors and senior employees of the subsidiaries of the Group in accordance with the terms stipulated in the Share Purchase Agreement between the Company and subsidiaries of the Group depending on the results of the subsidiary.

The Group had working capital of £7.55m as at 30 June 2019 which excludes the contingent consideration of £38.35m which will be fully settled through issuance of MBH shares.

The Group’s shareholders’ equity increased by 6% or £1.66m from £28.34m as at 31 December 2018 to £30.01m as at 30 June 2019 is mainly due to the issuance of shares from conversion of notes and share based payments, and profit for the period.

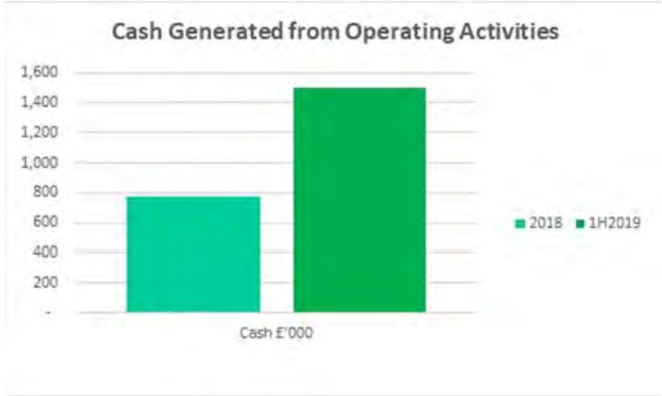
THE KEY HIGHLIGHTS FOR THE HALF YEAR ENDED 30 JUNE 2019:

- Working capital position increased to £7.5m (increase of 158% from 31 December 2018);
- Cash on hand increased to £4.63m (increase of 204% from 31 December 2018); and
- Retained earnings increased to £2.34m (increase of 88% from 31 December 2018).

REVIEW OF CASH POSITION
(Consolidated statements of cash flows)

The Group generated net cash from operating activities of £1.5m in 1H FY2019. Net cash from investing activities of £1.7m was mainly from the cash reserves due to the acquisition of Ingentative Limited (APEV) and Guildprime, offset with the additions of intangible assets and purchase of new property, plant and equipment. Net cash used in financing activities of £0.11m was for the repayment of borrowings.

Overall, the cash and cash equivalents of the Group increased in 1H FY2019, ending the period with cash and cash equivalents of £4.38m.



STRENGTHS AND COMPETITIVE ADVANTAGE

The Group embraces a number of principles which the directors believe provide competitive advantage. The Group is committed to maintaining the entrepreneurial spirit and unique culture of the businesses we acquire. So much of a company's value is wrapped up in its people and its unique idiosyncrasies - it is vital to preserve winning teams, and those special somethings, that made the company so attractive in the first place.

The Group's flat structure and nimble approach means that decisions can be made quickly based on changes to market conditions or client demands.

The Group is highly diversified across service offering, geography and sector. As further acquisitions continue, this diversification will increase. One of the benefits of maintaining individual company autonomy is that each business is its own profit and cost centre and thus risk is hived down to that level.

DIVIDENDS

The Board of Directors have taken the view that the flexibility and opportunities offered by a larger capital base can compound the creation of shareholder value in future years. As such, it has decided against the distribution of dividends as at 30 June 2019. That said, the Board is committed to the return of profits to shareholders through a distribution or share buybacks and will aim to do either in the future.

FINANCIAL KEY PERFORMANCE INDICATORS (KPIS)

The key financial metric that the Board has assessed itself on, is earnings per share ("EPS"). The Board endeavours to continue increasing shareholder value and returns by ensuring the metric will grow either by way of organic growth from our portfolio companies or growth through EPS accretive acquisitions.

FUTURE DEVELOPMENTS

Driving organic growth
MBH is building up a value-enhancing SME portfolio of profitable businesses with excellent growth prospects, enabling business owners to flourish and grow their business organically in a plc environment. This enables the principals of the publicly listed company to continually develop and improve their products and services.

Global client engagements
The Group has a forward-looking strategy that improves the health of the Company and provides global opportunities. The subsidiaries can rely on support from MBH, whether in the form of providing the ability to carry out share acquisitions globally to set up new locations, or in the form of networking connections and leveraging off the other knowledge from their overseas Principals.

Acquisition strategy
With the Group's accretive acquisition growth strategy, MBH are building a diversified portfolio of excellent companies and talented entrepreneurs, giving investors unprecedented access to profitable businesses in the $1m-$5m EBITDA range. Steady accretive growth will be implemented through Agglomeration™, targeting 15-20 EPS accretive acquisitions per annum.

SIGNIFICANT RISKS AND UNCERTAINTIES

The management of risk is the responsibility of the Board of Directors who have carried out a robust assessment of the potential risks facing the group. The Group's principle operating risks and uncertainties are set out below.

Macro-economic conditions
Catastrophic events, terrorist attacks or acts of war may lead to an abrupt interruption of business activities and the Group may be subject to losses resulting from such disruptions. If the business continuity plans of the Group are not available or inadequate, losses may increase further. In addition, such events and the responses to those events may create economic and political uncertainties which could have an unanticipated adverse impact on the markets in which the Group operates and on the operations of the Group.

Smaller businesses have less margin for error
In general, small businesses have less margin for error. This includes the loss of key clients or key employees. A single event may have a material impact of the particular company's financial results for the year.

Loss of talent
The success of the Group's business depends upon the personal reputation, judgment, integrity, business generation capabilities and project execution skills of our business owners. The Principals personal reputations and relationships with their clients are a critical element in obtaining and maintaining client engagements.

Accordingly, the retention of our Principals, is particularly crucial to our future success. Although the Principals have entered into an Employment agreement with the Group, the restriction period in many of the agreements does not exceed 2 years, and there is no guarantee that these will be adhered to.

Overall, we are very happy with the performance of the group and are excited to keep expanding in the second half of 2019 and beyond.

Callum Laing

Callum Laing
Chief Executive Officer & Executive Director
MBH Corporation PLC

Approved by the Directors on 28 September 2019

SNAPSHOT OF MBH

PRINCIPAL ACTIVITY

The Company was incorporated in 2016 for the sole purpose to acquire and act as the holding company for established, profitable small-to-medium enterprises in different sectors. As at 30 June 2019, the Group comprised 6 trading entities in United Kingdom, Singapore and New Zealand namely:

PARENTA GROUP

ACACIA TRAINING

CAPE

DUBOULAY CONTRACTS

GUILDPRIME SPECIALIST CONTRACTS

APEV

ASIA PACIFIC ENERGY VENTURES (APEV)

ENGINEERING SERVICES

Asia Pacific Energy Ventures (APEV) operates a diversified business targeting key growth sectors in the Asia-Pacific region. Specialising in Consulting, Construction and Contracting with a focus on Power Generation and Building Services, APEV's integrated service offering allows clients to work with one trusted partner on the full scope of any project.

THEIR JOURNEY...

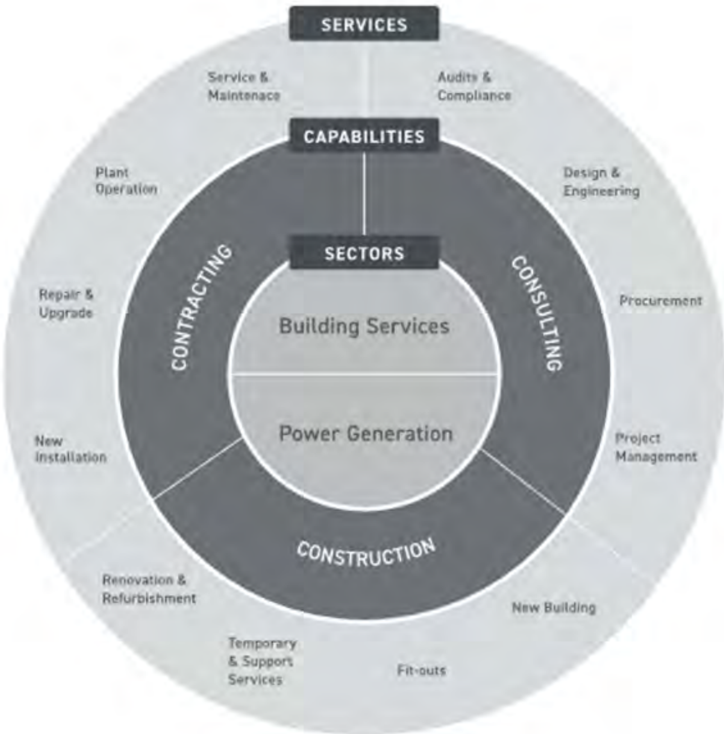
Launching to market in 2014 with a discrete energy audit and efficiency offering, APEV quickly expanded over the course of 12 months as it secured a range of significant energy upgrade projects. An electrical contracting arm was soon established to meet client demand.

Throughout 2016 and 2017, APEV continued to grow at pace with the introduction and impressive up-take of its Fire & Hydraulics and Building & Construction capabilities. In 2018, APEV secured its first major power generation project, valued at USD 70 million, to develop a power station for a landowner, backed by a Papua New Guinea entity.

Having established itself as a reliable single-source provider with a proven track record, APEV plans to further develop the core business, expand regionally, secure more power generation and major infrastructure opportunities, and deliver attractive shareholder returns.

The group already has a strong project pipeline in place to support future growth and plans to build on this further through account development activity and new client acquisition. To maintain momentum and scale responsibly, there is a company wide focus on operational improvements to increase workflow capacity and maintain quality of service delivery.

APEV is also developing a transformative major project which is an exciting solution for delivering reliable, cost effective power generation and LNG (liquefied natural gas) infrastructure for island communities.



APEV'S KEY GOALS THROUGH MBH

As a new subsidiary of MBH Corporation, APEV will seek to position itself as a mid-size engineering, procurement and construction management service provider serving Papua New Guinea, the Pacific Islands and South-East Asia. Our relationship with MBH imbues our organisation with the instant scale and credibility that comes with being part of a PLC.

From both a supplier and client point of view, our MBH association will have a positive impact on APEV's overall growth and operations. We are now in an advantageous position to tender for more major power stations and infrastructure projects. As MBH's market capital continues to grow, APEV will also enjoy access to project financing opportunities that would otherwise be off limits to smaller privately held companies.

Being part of a PLC with a public market for equity is also immensely beneficial from a shareholder point of view. Our shareholders now have much more flexibility to buy and sell as needed, and for the first time the company can introduce an official employee share option plan. This is expected to further strengthen engagement, retention and talent acquisition, which is already strong.

APEV is most proud of how we have managed this year's extraordinary rate of growth, a large part of which has involved development of the Dirio power station.

Another point of pride has been bringing exceptional talent on board, and observing the way people buy into the story of the business and deliver amazing results.

Lastly but perhaps most significantly, joining MBH has been a major highlight for APEV because this gives us a platform to deliver on our potential as an engineering, procurement and construction management service provider.

Nathan Daly, Chief Operating Officer - Asia Pacific Energy Ventures, Singapore

ACACIA TRAINING LIMITED, UK

EDUCATION SERVICES

Acacia Training is a family business, started by a mother & daughter team (both of whom are nurses) with a cash investment from another supportive family member in 2000. The daughter, Victoria Sylvester, is still with the company today in the Managing Director role at Acacia and now executive Board member of MBH. The company originally was intended to operate on a small scale providing an alternative, most effective way for delivery of education & learning in the health and social care sector. However, more companies started to show an interest in the business and it then continued to grow over the years securing a variety of government contracts. In 2012, two of the original board members retired from the operations of the business, and Victoria's husband Ryan joined the board, with the decision being made to join MBH in 2017.

Today, the business delivers Ofsted regulated education on a variety of government contracts in sectors such as health & social care, dental nursing, childcare, beauty, education, management and sport. Over the past 5 years the company has continued to grow and develop and this trajectory is predicted and planned to continue.

"Our reasons for joining MBH were very obvious to us as a business. Both the Directors of the business have a lot to give and needed a platform to further develop and grow the business with the freedom and space to be the entrepreneurs that we are. Our goals within MBH are to continue to grow and develop the business, take advantage of the opportunities that exist within the group and as part of the group, thrive from being around like-minded people/businesses all working towards a shared vision. In turn this creates value for MBH and Acacia right down to the individuals within our organisation. So, in short our goals are to grow at a manageable and sustainable level, continue to provide a high quality service and keep doing what we do well to keep pushing shareholder value.

Since joining MBH we have had some fantastic achievements. The key ones are our growth in terms of our financials are continuing on an upward trend, and the others are around our acquisitions, which have been facilitated by the MBH Agglomeration™ model and the support from the MBH board to drive these forward."

Victoria Sylvester,
Managing Director of Acacia, UK

ACACIA GROWTH PLANS

Acacia have announced 2 acquisitions so far this year, firstly bringing in a 25 year established beauty school to drive growth on their existing contracts, which links in their provision perfectly, particularly being the sector from which Acacia originated and the board are experienced in running businesses in this sector.

“Acacia has such exciting plans for the future – we are all so motivated and engaged with the success of the business & MBH. We have 2 key strategies running concurrently.

Strategy 1 is focusing on our own organic growth through diversifying the education offer, winning new business and growing existing contracts.

Strategy 2 is focusing on mergers and acquisitions using the agglomeration™ model as the platform to facilitate tactical acquisitions under Acacia where we intend to develop and grow these smaller businesses applying the same agglomeration principles (debt free, profitable, sustainable, independently run businesses), with a view to growing and developing them to a point to allow them to drive a similar concept when they are ready – like a constant ripple effect. We intend to keep replicating this model, and then in turn these businesses continuing the pattern.

What is really good about the agglomeration™ model is that MBH have developed a culture where creating an environment for businesses to grow and keep increasing shareholder value is the fundamental basis, and all the companies are fully committed to this vision.”

Victoria Sylvester, Managing Director, Acacia Training Limited, UK

Ryan and Vikki, Acacia Training Limited awarded as disability confident leaders

GUILDPRIME SPECIALIST CONTRACTS LTD

CONSTRUCTION SERVICES

From humble beginnings of just two employees in 1985 when the company first opened for business, Guildprime quickly progressed from offering 'shop fitting' services to providing a diverse range of unrivalled specialist contract services. The company now boasts a team of skilled professionals and enjoys an enviable reputation for quality, service delivery and year-on-year growth. Testament to the company's success is our high level of client retention; we are proud to have worked with a number of prestigious clients and luxury brands for over 20 years.

“Now that we are part of the MBH group, Guildprime can tender for much larger projects as we can offer the assurances to our clients that we are part of a much larger group. We are already tendering for projects with values over £3 million which has always proved difficult for us previously without offering Bonds and guarantees.”

Managing Director, Kevin Potter, UK

One of Guildprimes longest standing clients is Chelsea Football club, where we have developed a strong relationship with the owners and directors over 18 years.

Guildprime are the preferred contractor for all of the high end fit out works at both the stadium and their prestigious training ground in Cobham, Surrey, UK.

Guildprime have recently completed the fit out of the first team changing rooms at Cobham and the director’s lounges at Stamford Bridge with many exciting new projects in the pipeline.

	Note	1H 2019 (Unaudited) £'000	1H 2018 (Unaudited) £'000	Increase / (Decrease) %
Continuing operations				
Revenue from contracts with customers	2	21,955	-	NM
Cost of sales		(16,057)	-	NM
Gross profit		**5,898**	-	NM
Administrative expenses		(4,515)	(158)	NM
Finance costs, net	3	(22)	-	NM
Profit before income tax		**1,361**	(158)	NM
Income tax expense	4	(266)	-	NM
Profit for the period	5	**1,095**	(158)	NM
Other comprehensive income				
Items that may be reclassified to profit or loss				
Foreign exchange differences on translation of foreign operations		70	-	NM
Other comprehensive income for the period, net of tax		**70**	-	NM
Total comprehensive income for the period		**1,165**	(158)	NM
		Pence	Pence	
Earnings per share for profit from continuing operations				
Basic earnings per share	16	**3.59**	(12.74)	NM
Diluted earnings per share	16	**3.28**	(12.74)	NM

NM – Not meaningful

MBH CORPORATION PLC
CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2019

	Note	30 June 2019 (Unaudited) £'000	31 December 2018 (Restated) £'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	1,624	246
Intangible assets	7	2,972	2,797
Goodwill	8	65,440	29,640
Investment		2	2
Total non-current assets		70,038	32,685
Current assets			
Cash and cash equivalents	9	4,631	1,523
Trade and other receivables	10	26,605	8,470
Total current assets		31,236	9,993
Total assets		101,274	42,678
LIABILITIES			
Non-current liabilities			
Loan and other borrowings	11	555	484
Contingent consideration	12	9,497	3,838
Deferred tax (assets) liabilities		(825)	10
Total non-current liabilities		9,227	4,332
Current liabilities			
Loan and other borrowings	11	801	1,218
Contingent consideration	12	38,345	2,988
Trade and other payables	13	22,748	5,382
Current tax liabilities		140	403
Total current liabilities		62,034	9,991
Total liabilities		71,261	14,323
Net assets		30,013	28,355
EQUITY			
Share capital and share premium	14	27,582	27,039
Other reserves		13	63
Translation reserve		77	7
Retained earnings		2,341	1,246
Total equity		30,013	28,355

	Note	Share capital and premium	Other reserves	Translation reserves	Retained earnings	Total
		£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2018		222	-	-	-	222
Loss for the period		-	-	-	(158)	(158)
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	(158)	(158)
Transactions with owners in their capacity as owners						
Credit to equity for equity-settled share-based payments		114	-	-	-	114
Total contributions by owners		114	-	-	-	114
Balance at 30 June 2018		336	-	-	(158)	336
Balance at 1 January 2019		27,039	63	7	1,246	28.355
Profit for the period		-	-	-	1,095	1,095
Other comprehensive income		-	-	70	-	70
Total comprehensive income for the year		-	-	70	1,095	1,165
Transactions with owners in their capacity as owners						
Credit to equity for equity-settled share-based payments		140	-	-	-	140
Conversion of convertible notes		403	(50)	-	-	353
Total contributions by owners		543	(50)	-	-	493
Balance at 30 June 2019		27,582	13	77	2,341	30,013

	Note	1H 2019 (Unaudited) £'000	1H 2018 (Unaudited) £'000
Operating activities			
Profit before income tax		1,361	(158)
Adjustments for:			
Interest expense		22	-
Depreciation of plant and equipment		52	-
Amortisation of intangible assets		286	-
Amortisation of transaction costs		44	-
Share-based payments expense		140	-
Operating cash flows before movements in working capital		**1,905**	(158)
Decrease in trade and other receivables		4,511	-
Decrease in trade and other payables		(4,411)	158
Cash generated by operations		**2,005**	-
Income tax paid		(502)	-
Net cash from operating activities		**1,503**	-
Investing activities			
Purchase of plant and equipment		(87)	-
Addition to intangible assets		(461)	-
Acquisition of subsidiaries, net of cash acquired		2,271	-
Net cash from investing activities		**1,723**	-
Financing activities			
Interest paid		(22)	-
Repayments of bank loan		(90)	-
Net cash used in financing activities		**(112)**	-
Net increase/(decrease) in cash and cash equivalents		**3,114**	(*)
Cash and cash equivalents at beginning of year		1,175	-
Effect if foreign exchange rate charges		94	-
Cash and cash equivalents at end of period		**4,383**	(*)

* Amount less than £1,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2019

1. ACCOUNTING POLICIES

a) Statement of compliance with IFRS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretation issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting in IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The Group has not adopted all applicable new and revised International Financial Reporting Standards ("IFRS") which are effective for its financial year beginning 1 January 2019 as the Group is reassessing the lease arrangements of the new acquisitions made in June 2019.

b) Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

The principal accounting policies adopted are set out below.

c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June 2019. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

d) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified.
Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

e) Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

f) Foreign currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity (attributed to non-controlling interests as appropriate).

g) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

h) Short-term and other long-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

i) Property, plant and equipment
Land and buildings held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Leasehold property	10% – 25% per annum
Office equipment, fixtures and fittings	10% – 25% per annum
Motor vehicles	20% per annum

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

j) Intangible assets
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;

- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

l) Share-based payments

Share-based payment transactions of the Company
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions.
The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2. REVENUE

	1H 2019 (Unaudited) £'000	1H 2018 (Unaudited) £'000
Segment revenue		
United Kingdom		
Education sector		
- Course training provider	3,404	-
- Software cloud provider	369	-
- Marketing services	669	-
Property service sector - Commercial refurbishment	5,062	-
New Zealand		
Property service sector - Commercial refurbishment	11,464	-
Singapore		
Engineering solutions	987	-
Total	**21,955**	-

3. FINANCE COSTS, NET

	2018 £'000	2017 £'000
Interest from bank overdraft	9	-
Interest from borrowings	13	-
Total	**22**	-

4. TAX EXPENSES

	2018 £'000	2017 £'000
Current tax		
In respect of the current year	**266**	-

5. PROFIT FOR THE YEAR

The Group's net profit/(loss) was arrived after (crediting)/charging the following:

	1H 2019 (Unaudited) £'000	1H 2018 (Unaudited) £'000
Bad debt expense	11	-
Rental expense on operating leases	177	-
Amortisation of transaction costs for convertible notes	43	-
Depreciation of property, plant and equipment	52	-
Amortisation of intangible assets	286	-

6. PLANT AND EQUIPMENT

	Total
	£'000
<u>At Cost</u>	
At 31 December 2018	280
Acquired on acquisition of subsidiaries	1,361
Additions	87
Exchange differences	(5)
At 30 June 2019	**1,723**
<u>Accumulated depreciation</u>	
At 31 December 2018	(33)
Charge for the year	(52)
Exchange differences	(14)
At 30 June 2019	**(99)**
<u>Carrying amount</u>	
At 30 June 2019	**1,624**
At 31 December 2018	247

7. INTANGIBLE ASSETS

	Total
	£'000
<u>At cost</u>	
At 31 December 2018	2,984
Additions	461
At 30 June 2019	3,445
<u>Accumulated amortisation</u>	
At 31 December 2018	(187)
Charge for the year	(286)
At 30 June 2019	(473)
<u>Carrying amount</u>	
At 30 June 2019	**2,972**
At 31 December 2018	2,797

Internally generated software development costs include the Group's software development system, which is created by an internal development team for the Group's specific requirements, with constant redevelopments and enhancements to its cloud-based software.

The trademark used for the know-how operations of the Company's business activities is a perpetual licence to use the Agglomeration trademark and processes.

8. GOODWILL

	Group
	£'000
Cost and carrying amount	
At 31 December 2018	29,700
Adjustment to goodwill	(60)
Adjusted 31 December 2018	29,640
Arising on acquisition of subsidiaries	35,800
At 30 June 2019	**65,440**

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGU) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	June 2019 £'000	December 2018 £'000 (Restated)
Education sector (comprised several CGUs)	14,040	14,040
Property service sector (comprised several CGUs)	16,700	15,600
Engineering solutions sector	34,700	-
	65,440	**29,640**

9. CASH AND CASH EQUIVALENTS

	June 2019 £'000	December 2018 £'000
Cash at bank	4,617	1,523
Cash in hand	14	*
	4,631	**1,523**
Bank overdraft (note 10)	(248)	(348)
Cash and cash equivalent as per statement of consolidated cash flow	**4,383**	**1,175**

* Amount is less than £1,000.

10. TRADE AND OTHER RECEIVABLES

	June 2019 £'000	December 2018 £'000 (Restated)
Trade receivables	20,644	3,936
Contract assets	4,389	2,458
Loss allowance	(596)	(51)
	24,437	**6,343**
Other debtors	1,824	1,922
Prepayments	344	205
	26,605	**8,470**

Contract assets

	June 2019 £'000	December 2018 £'000
Property services contracts	2,277	633
Course training	2,112	1,825
Total contract assets	**4,389**	**2,458**

11. LOAN AND OTHER BORROWINGS

		June 2019 £'000	December 2018 £'000
Current			
Bank overdraft	(a)	248	348
Bank loan	(b)	183	179
Convertible note	(c)	370	691
		801	**1,218**
Non-current			
Bank loan	(b)	555	484
Total		**1,356**	**1,702**

a) **Bank overdraft**

Bank overdrafts are repayable on demand and secured by a charge over certain of the Group's properties.

b) **Bank loan**

Mainly relates to bank loans as part of the acquisition of Lara Group PLC and Ingentative Ltd.

c) Convertible note

	Group
	£'000
At 31 December 2018	**691**
Less: Conversion of convertible bonds	(403)
Add back: Amount reversed from equity	50
Add back: Amortisation of transaction costs	43
Effect of change from foreign exchange rates	(11)
At 30 June 2019	**370**

During the year, £403,000 of convertible loans were converted to 148,000 shares at the conversion price of €1.20.

12. CONTINGENT CONSIDERATION

	June 2019	December 2018
	£'000	£'000
Amount due for settlement within 12 months (shown under current liabilities)	38,345	2,988
Amount due for settlement after 12 months (shown under non-current liabilities)	9,497	3,838
	47,842	6,826

The Company has an incentive scheme for certain directors and senior employees of the subsidiaries of the Group. In accordance with the terms stipulated in the Share Purchase Agreement between the Company and subsidiaries of the Group, certain directors and senior employees may be granted additional equity shares in the Company should the subsidiary for which they are responsible, achieve increased profits in excess of its previous year, provided that this is in excess of the base year of assessment which is the year of acquisition.

The additional equity shares will be allotted and issued upon the release of the Group's results. The fair value of shares awarded is computed based on market value on the date of award.

13. TRADE AND OTHER PAYABLES

	June 2019	December 2018
	£'000	£'000
		(Restated)
Trade payables	19,749	2,928
Contract liabilities	529	622
Other taxation and social security	795	652
Other payables	836	120
Accruals	409	630
Deferred consideration	430	430
	22,748	5,382

14. ISSUED CAPITAL AND SHARE PREMIUM

	June 2019	December 2018
	£'000	£'000
Share capital	27,246	26,770
Share premium	336	269
	27,582	**27,039**

Issued capital comprises of 30,864,335 fully paid ordinary shares of €1.00 each (2017: 30,322,804 fully paid ordinary shares of €1.00 each).

	Number of shares	Par value	Share premium	Total
	'000	£'000	£'000	£'000
At 31 December 2018	30,323	26,770	269	27,039
Issuance of new shares for equity-settled share-based payments	158	140	-	140
Conversion of convertible notes (note 15c)	383	336	67	403
At 31 December 2018	**30,864**	**27,246**	**336**	**27,582**

15. SUBSIDIARIES

a) Acquisition of assets

On 21 January 2019, Acacia Training Limited, a wholly-owned subsidiary of the Group, acquired the assets of International School of Beauty Therapy for cash consideration of £35,000.

b) Acquisition of subsidiaries

Acquisition of Guildprime Specialist Contracts Ltd

On 3 June 2019, the Group acquired Guildprime Specialist Contracts Ltd ("Guildprime"). These transactions have been accounted for by the acquisition method of accounting, with no consideration paid in cash.

As at 30 June 2019, no shares have been issued in relation to the acquisition, with the contingent consideration to be settled in shares by the purchaser in two parts: i) subject to the finalisation of Guildprime's financial statements for the year ending 31 December 2019, and ii) certain directors and senior employees of Guildprime in accordance with the terms stipulated in the Share Purchase Agreement between the Company and Guildprime depending on the results of Guildprime. The consideration has only been provisionally determined based on the management's best estimate of the likely values.

Acquisition of Ingentative Limited

On 15 June 2019, the Group acquired Ingentative Limited and its subsidiaries - Asia Pacific Energy Ventures Pte Ltd, Twenty20 Energy Systems Pte. Ltd. and Pacific Energy Consulting Limited (collective referred as "Twenty20 Group". These transactions have been accounted for by the acquisition method of accounting, with no consideration paid in cash.

As at 30 June 2019, no shares have been issued in relation to the acquisition, with the contingent consideration to be settled in shares by the purchaser, i) subject to the finalisation of Twenty20 Group's consolidated financial statements for the year ended 31 July 2019, and ii) certain directors and senior employees of Twenty20 in accordance with the terms stipulated in the Share Purchase Agreement between the Company and Twenty20 depending on the results of the subsidiary. The consideration has only been provisionally determined based on the management's best estimate of the likely values at the point of acquisition.

	Guildprime Specialist Contracts Ltd	Ingentative Limited	Total
	£'000	£'000	£'000
Estimated fair value of assets acquired			
Net identifiable assets acquired	1,325	*	1,325
Add: goodwill	1,100	38,479	39,579
Total consideration	**2,425**	**38,479**	**40,904**
Effects on cash flows of the Group			
Cash paid	-	*	-
Less: net of cash and cash equivalents and bank overdraft in businesses acquired	160	2,111	2,271
Cash inflow on acquisition	160	2,111	2,271
Total goodwill (note 7)	**1,100**	**34,700**	**36,800**

c) Goodwill arising on acquisitions

Provisional goodwill amounting to £36,800,000 arose in the acquisition of the above companies and business because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development of these companies. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The final goodwill amount is subjected to the finalisation of results of the acquired companies.

16. EARNINGS PER SHARE

	1H 2019 (Unaudited) pence	1H 2018 (Unaudited) pence
Basic earnings per share	**3.59**	(12.74)
Diluted earnings per share	**3.28**	(12.74)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	1H 2019 (Unaudited) £'000	1H 2018 (Unaudited) £'000
Profit from continuing operations attributable to the ordinary equity holders of the company	1,095	158
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share	1,095	158

	1H 2019 (Unaudited) Number	1H 2018 (Unaudited) Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	30,521,806	123,973
Effect of dilutive potential ordinary shares from share options and convertible bonds	2,891,356	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**33,413,161**	**123,973**

17. RESTATEMENT OF ACCOUNTS

During the financial year, the Group had identified certain adjustments to the goodwill for the acquisition of Lara Group plc and du Boulay Contracts Ltd as new information was obtained about facts and circumstances that existed as of the acquisition date. The adjustments to the balance sheet as at 31 December 2018 are as follows:

	Previously stated	Adjustments	Adjusted 31 December 2018
	£'000	£'000	£'000
Goodwill	29,700	(60)	29,640
Loss allowance under "trade and other receivables"	(251)	200	(51)
Accruals	(490)	(140)	(630)
Net	**28,959**	**-**	**28,959**

18. SUBSEQUENT EVENTS

On 21 August 2019, the Company announced the execution of heads of terms to acquire the business and assets of Samuel Hobson House.

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