

UNAUDITED HALF YEAR FINANCIAL REPORT 2021

HALF YEAR
ENDED 30 JUNE 2021

COMPANY REGISTRATION
NUMBER 10238873



MBH CORPORATION PLC

UNAUDITED FINANCIAL REPORT

FOR THE HALF YEAR ENDED 30 JUNE 2021

MBH CORPORATION PLC
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
HALF YEAR ENDED 30 JUNE 2021

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MBH CORPORATION PLC
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OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors	Mr Callum Arthur Michael Laing Ms Victoria Sylvester Ms Svetlana Coronado (resigned 31 July 2021) Mr Stanislaw Jozef Patey Ms Margaret Manning (appointed 1 July 2021)
Company registration number	10238873
Registered office	7 Royal Victoria Patriotic Building John Archer Way London SW18 3SX United Kingdom
Auditors	Barnes Roffe LLP Chartered Accountants & Statutory Auditors Charles Lake House Claire Causeway Crossways Business Park Dartford DA2 6QA United Kingdom
Share registrar	Avenir Registrars Limited 5 St John's Lane Farringdon London EC1M 4BH United Kingdom
UK solicitors to the Company	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
Stock exchange listing	MBH Corporation plc is listed on: <ul style="list-style-type: none">• Primärmarkt of the Düsseldorf Stock Exchange (M8H:GR)• Frankfurt Stock Exchange (M8H)• OTC Markets Group Inc (OTCMKTS: MBHCF)

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INTERIM FINANCIAL REPORT

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by MBH Corporation Plc during the interim reporting period.

MBH Corporation Plc ("the Company") is a public limited company domiciled and incorporated in the United Kingdom (Company Registration Number 10238873). The registered office address is 7 Royal Victoria Patriotic Building, John Archer Way, London SW18 3SX, United Kingdom. Its shares are listed on the Frankfurt Stock Exchange.

These interim financial statements were approved for issue on 30 September 2021.

The interim financial statements have not been audited.

Key Events

The key events for the Group in the interim period were:

- following approval the Annual General Meeting agreed to redenominate the Company's par value of its ordinary shares from EUR 1 to EUR 0.01;
- divest itself of the Parenta Group (Amplify Investments Ltd and its wholly-owned subsidiaries) (refer note 18); and
- a significant increase in revenue and profitability as the first six months of 2020 was severely impacted by COVID-19.

Principal Risks and Uncertainties

MBH Group and each business considers strategic, operational and financial risks and identifies actions to mitigate those risks. These risk profiles are updated at least annually. The principal risks and uncertainties for the remaining six months of the financial year are discussed below. Further details of the Group's risk profile analysis can be found on pages 6 to 7 of our Annual Report for the year ended 31 December 2020.

Continued uncertainty in the global economy as a result of COVID-19 has caused volatility in financial markets. Although market confidence and consumer spending patterns have been affected, the Group remains well placed to grow revenues through ongoing acquisitions.

Going Concern

The Group has considerable financial resources, together with committed contracts with numerous customers and suppliers across different geographic areas and market sectors. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the uncertainties in the global economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Group and parent company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

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STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors confirm that these interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report

The directors of MBH Corporation Plc are listed in the annual report for 31 December 2020, with the exception of the following changes in the period: Ms Margaret Manning was appointed on 1 July 2021 and Ms Svetlana Coronado resigned on 31 July 2021.

These unaudited consolidated financial statements were approved by the Directors and authorised for issue on 30 September 2021 and were signed on their behalf by:



Callum Laing
Chief Executive Officer
MBH Corporation plc

Approved by the Directors on 30 September 2021.

MBH CORPORATION PLC
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
HALF YEAR ENDED 30 JUNE 2021

Consolidated Statement of Comprehensive Income
Half Year Ended 30 June 2021

	Note	30 June 2021 (Unaudited) £'000	1H 2020 (Unaudited) £'000	Increase / (Decrease) %
Continuing operations				
Revenue from contracts with customers	4	49,647	27,367	81.4
Cost of sales		(37,943)	(21,723)	74.7
Gross profit		11,704	5,644	107.4
Other income	6	746	390	91.3
Administrative expenses	6	(9,789)	(5,180)	89.0
Finance costs, net	5	(765)	(140)	446.4
Operating profit		1,896	714	165.6
Fair value gain/(loss)		87	(1)	NM
Profit before income tax		1,983	713	178.1
Income tax benefit/(expense)		(296)	(52)	469.2
Profit from continuing operations		1,687	661	155.2
Profit from discontinued operations	18	272	-	NM
Profit for the half year		1,959	661	196.4
Other comprehensive income				
<i>Items that may be reclassified to profit or loss</i>				
Foreign exchange differences on translation of foreign		(111)	36	NM
Other comprehensive income for the period, net of tax		(111)	36	NM
Total comprehensive income for the period		1,848	697	165.1
Earnings per share for profit				
Basic earnings per share (pence) from continuing operations	7	2.35	1.43	64.3
Diluted earnings per share (pence) from continuing operations	7	2.24	1.43	56.7
Basic earnings per share (pence) from continuing and discontinued operations	7	2.73	1.43	90.9
Diluted earnings per share (pence) from continuing and discontinued operations	7	2.60	1.43	81.8

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

NM – Not meaningful

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Consolidated Statement of Financial Position
As at 30 June 2021

	Note	30 June 2021 (Unaudited) £'000	31 December 2020 £'000
ASSETS			
Non-current assets			
Property, plant and equipment		8,855	7,416
Intangible assets		1,466	4,164
Right-of-use assets		4,615	1,934
Goodwill	9	100,236	90,605
Investment		488	106
Deferred tax assets		687	560
Total non-current assets		116,347	104,785
Current assets			
Cash and cash equivalents		6,852	6,217
Trade and other receivables	10	17,344	18,953
Inventories	11	3,468	4,057
Assets classified as held for sale	18	5,990	-
Total current assets		33,654	29,227
Total assets		150,001	134,012
LIABILITIES			
Non-current liabilities			
Lease liabilities		3,692	1,556
Deferred tax liabilities		503	317
Loan and other borrowings	12	6,224	6,682
Bonds	13	27,609	23,261
Contingent consideration	14	18,041	17,153
Other payables		114	34
Total non-current liabilities		56,183	49,003
Current liabilities			
Lease liabilities		1,079	371
Loan and other borrowings	12	3,554	4,670
Contingent consideration	13	3,876	3,945
Trade and other payables	15	20,352	15,725
Provisions		118	46
Current tax liabilities		914	471
Liabilities classified as held for sale	18	1,126	-
Total current liabilities		31,019	25,228
Total liabilities		87,202	74,231
Net assets		62,799	59,781
EQUITY			
Share capital and share premium	16	72,049	69,638
Other reserves		(16,813)	(15,869)
Translation reserve		(59)	52
Retained earnings		7,622	5,960
Total equity		62,799	59,781

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

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Consolidated Statement of Changes in Equity
Half Year Ended 30 June 2021

	Share capital and premium	Other reserves	Translation reserves	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2020	38,455	30	(68)	4,864	43,281
Profit/(loss) for the half year	-	-	-	661	661
Other comprehensive income	-	-	36	-	36
Total comprehensive income for the half year	-	-	36	661	697
Transactions with owners in their capacity as owners					
Issue of ordinary shares as consideration for a business combination	340	-	-	-	340
Issue of ordinary shares as consideration for contingent performance	6,916	-	-	-	6,916
Credit to equity for equity-settled share-based payments	572	-	-	-	572
Dividends declared	-	-	-	(271)	(271)
Termination of convertible notes	-	(30)	-	-	(30)
	7,828	(30)	-	(271)	7,527
Balance at 30 June 2020	46,283	-	(32)	5,254	51,505
Balance at 1 January 2021	69,638	(15,869)	52	5,960	59,781
Profit/(loss) for the half year	-	-	-	1,959	1,959
Other comprehensive income	-	-	(111)	-	(111)
Total comprehensive income for the half year	-	-	(111)	1,959	1,848
Transactions with owners in their capacity as owners					
Issue of ordinary shares as consideration for a business combination	1,792	(944)	-	-	848
Credit to equity for equity-settled share-based payments	308	-	-	-	308
Issue of ordinary shares	18	-	-	-	18
Dividends declared	293	-	-	(297)	(4)
	2,411	(944)	-	(297)	1,170
Balance at 30 June 2021	72,049	(16,813)	(59)	7,622	62,799

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Consolidated Statement of Cash Flows
Half Year Ended 30 June 2021

		30 June 2021 (Unaudited) £'000	30 June 2020 (Unaudited) £'000
Operating activities			
Profit before income tax from continuing operations		1,983	713
Adjustments for:			
Interest income	5	(5)	-
Interest expense	5	770	104
Depreciation and amortisation expense	6	908	646
Amortisation of transaction costs		-	36
Fair Value (gain)/loss	6	(87)	1
Loss on disposal of plant and equipment	6	96	-
Loss allowance on trade receivables	6	49	74
Acquisition related cost	17(d)	4	-
Share-based payments expense		114	71
Operating cash flows before movements in working capital		3,832	1,645
Increase in trade and other receivables		(117)	(2,197)
Decrease in inventory		904	2,089
Decrease in trade and other payables		(769)	(3,287)
Increase in provisions		72	-
Cash (used in)/generated by operations		3,922	(1,750)
Income tax paid		(94)	(276)
Net cash (used in)/from operating activities from continuing operations		3,828	(2,026)
Investing activities			
Interest received		5	-
Proceeds from sale of property, plant and equipment		166	-
Purchase of plant and equipment		(262)	(20)
Addition to intangible assets		(102)	(216)
Acquisition related costs paid		(4)	6
Acquisition of subsidiaries, net of cash acquired		1,270	454
Net cash from / (used in) investing activities from continuing operations		1,073	224
Financing activities			
Interest paid		(539)	(84)
Proceeds from borrowings		900	1,741
Repayments of loans and borrowings		(2,772)	(419)
Repayment of bonds		(802)	-
Dividends paid		(3)	-
Payment of lease liabilities		(684)	(80)
Net cash from / (used in) financing activities from continuing operations		(3,900)	1,158
Net increase/(decrease) in cash and cash equivalents from continuing operations		1,001	(644)
Net increase in cash and cash equivalents from discontinued operations	18(b)	136	-
Proceeds from discontinued operations, net of cash held	18(c)	(444)	-
Cash and cash equivalents at beginning of the half year		5,754	4,015
Effect of foreign exchange rate charges		(107)	170
Cash and cash equivalents at end of the half year		6,340	3,541

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the Consolidated Financial Statements
Half Year Ended 30 June 2021

1. GENERAL INFORMATION

MBH Corporation plc ("the Company") is a public limited company domiciled and incorporated in the United Kingdom (Company Registration Number 10238873). The registered office address is 7 Royal Victoria Patriotic Building, John Archer Way, London SW18 3SX, United Kingdom.

The principal activity of the Company is that of investment holding.

These interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2020 were approved by the board of directors on 20 April 2021 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

The interim financial statements have not been audited.

2. ACCOUNTING POLICIES

(a) Basis of preparation

This consolidated interim financial report for the half year reporting period ended 30 June 2021 has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and Accounting Standard IAS 34 *Interim Financial Reporting*, as adopted by the European Union.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting in IFRS in conformity with the requirements of the Companies Act 2006. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by MBH Corporation Plc during the interim reporting period.

These financial statements are presented in British Pounds.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

(b) Adoption of New and Revised Standards

New and amended IFRS standards that are effective for the current year

The Group has early adopted for its annual reporting period beginning on 1 January 2021 the amendments to *IFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021*. The amendment provides a practical expedient to permit lessees to apply it to rent concessions for which reductions in lease payments affect payments originally due on or before 30 June 2022. The Group has applied the practical expedient to these rent concessions. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs. Only one subsidiary in the Group received any COVID-19-related rent concessions in 2020 and it was accounted for in the profit and loss as other income with an offsetting reduction to the lease liability. There was no impact to the 30 June 2021 half year results.

Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

Standards issued but not effective or applied by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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2. ACCOUNTING POLICIES (continued)

(c) Critical estimates and critical judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results might differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020, with the exception of changes in estimates that are required in determining the provision for income taxes and the critical estimates in the impairment of goodwill.

(d) Significant changes in the current reporting period

Although the current challenging economic conditions caused by COVID-19 have affected some of the markets in which the business operates, the Group has remained resilient and has grown revenues through acquisitions.

The Group has undertaken a detailed going concern assessment, reviewing its current and projected financial performance and position, including current assets and liabilities, debt maturity profile, future commitments and forecast cash flows. The downside scenarios tested, outlining the impact of severe but plausible adverse cases, show that there is sufficient headroom for liquidity and covenant compliance purposes in respect of the Group's current borrowing facilities for at least the next 12 months from the date of approval of these financial statements.

The Group has also reviewed its exposure to climate change and Brexit-related risks and concluded that these did not have a significant impact on the financial performance and/or position of the Group for the period and as at 30 June 2020, respectively.

The financial position and performance of the Group was particularly affected by the following events and transactions during the six months to 30 June 2021:

- a significant increase in revenue as a result of business combinations that occurred in the current and previous financial year (refer note 17).
- following approval the Annual General Meeting agreed to redenominate the Company's par value of its ordinary shares from EUR 1 to EUR 0.01 (refer note 16).
- divest itself of the Parenta Group (Amplify Investments Ltd and its wholly-owned subsidiaries) (refer note 18)
- a significant increase in revenue as a result of business combinations that occurred in the current and previous financial year (refer note 18). This, more than offset a reduction in revenue existing businesses and segments as result of the impact of COVID-19 (refer note 3);
- additional loans and borrowings entered into to provide additional liquidity in light of the continued impact of COVID-19 on its operations (refer note 12).

Since the end of the interim reporting period, the group has acquired 100% of the issued capital of Vista Care Solutions Limited (refer note 19).

3. OPERATING SEGMENTS

(a) Basis for segmentation

The Group's Board of Directors (the chief operating decision-makers) monitor the operating results of the segments separately for the purpose of making decisions about resource allocation and performance assessment. The Group's operating segments are organised by industry sector and the nature of products and services offered. Operating segments for the half year ended 30 June 2021 were determined based on reporting at regular Board meetings of the Group.

The following summary describes the operations of each reportable segment:

Reportable Segments	Operations
Education	Includes the provision of education and learning related services for apprentices.
Construction Services	Includes commercial interior fit-out and construction contractor services.
Leisure	Includes the sale of new and pre-owned touring caravans and related caravan accessories and awnings.

Other operations include the provision of care services and residential elderly-care, food and beverage, engineering services, transportation services including taxis and licensed private hire operators and property services including state brokerage, commercial funding company and a real estate investor association and mentoring programme. None of these segments met the quantitative thresholds for reportable segments in 2021.

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3. OPERATING SEGMENTS (continued)

(b) Information about reportable segments

Information related to each reportable segment is set out below.

The Board primarily uses a measure of adjusted earnings before interest and tax (EBIT, see below) to assess the performance of the operating segments. For the purposes of monitoring segment performance and allocating resources between segments,

the Board also receives information about the segments' revenue, assets and liabilities on a monthly basis. Disaggregated information about segment revenue including by geographic location is disclosed in note 4.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2.

The previous year's segment information has been re-presented to show the comparative figures in a similar manner to the current year.

	Reportable segments				All Other Segments	Total
	Education	Construction Services	Leisure	Total Reportable segments		
Half year 2021	£'000	£'000	£'000	£'000	£'000	£'000
Total Segment Revenue from continuing operations (Note 4)*	5,958	25,260	11,747	42,965	6,682	49,647
Adjusted EBIT	946	449	1,158	2,553	441	2,994
Half year 2020						
Total Segment Revenue from continuing operations (Note 4)*	4,721	17,482	4,628	26,831	536	27,367
Adjusted EBIT	386	(279)	725	832	104	936
Segment Assets						
30 June 2021	16,605	13,618	5,219	35,442	8,279	43,721
31 December 2020	18,422	12,857	5,391	36,670	3,698	40,368
Segment Liabilities						
30 June 2021	(3,601)	(9,680)	(3,825)	(17,106)	(7,298)	(24,404)
31 December 2020	(4,938)	(8,893)	(5,275)	(19,106)	(2,834)	(21,940)

* Transactions between segments are carried out at arm's length basis and are eliminated on consolidation. There was no inter-segment revenue in the half year (2020: Nil).

(c) Reconciliations of information on reportable segments to the amounts reported in the financial statements

(i) Adjusted EBIT

Adjusted EBIT excludes the allocation of central administration costs and directors' salaries; management fee charges; the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, legal expenses, and impairments where the impairment is the result of an isolated, non-recurring event. It also excludes the effects of unrealised gains or losses on financial instruments.

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3. OPERATING SEGMENTS (continued)

A reconciliation of adjusted EBIT to Profit from continuing operations in the Statement of Comprehensive Income is provided as follows:

	Half year	
	2021	2020
	£'000	£'000
Total segment Adjusted EBIT	2,994	936
Other income	33	163
Central administration costs and directors' salaries	(135)	(144)
Professional and Marketing Fees	(265)	(142)
Group eliminations	34	5
Finance costs, net	(765)	(104)
Fair value gain/(loss)	87	(1)
Profit before income tax	1,983	713
Income tax benefit/(expense)	(296)	(52)
Profit for the half-year from continuing operations	1,687	661

(ii) Segment Assets and Liabilities

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Goodwill has been allocated to reportable segments as described in note 9. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

Unallocated corporate assets mainly represent bank balances and cash, other receivables, deposits and prepayments at corporate level. Unallocated corporate liabilities represent other payables and bonds at corporate level.

	Assets		Liabilities	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Total Segment Assets/(Liabilities)	43,721	40,368	(24,404)	(21,940)
Unallocated assets/(liabilities)	18,677	13,831	(12,239)	(7,682)
Goodwill recognised on acquisition (note 9)	100,236	90,605	-	-
Bonds issued on acquisition	-	-	(27,609)	(23,261)
Contingent consideration recognised on acquisition	-	-	(21,917)	(21,098)
Discontinued operations (note 18)	5,990	-	(1,126)	-
Group eliminations	(18,623)	(10,792)	93	(250)
Total assets/(liabilities) as per the Balance Sheet	150,001	134,012	(87,202)	(74,231)

(d) Geographical information

The Group's information about its segment non-current assets and Group non-current assets including goodwill by geographical location are detailed below:

	2021	2020
	£'000	£'000
Primary geographical location		
United Kingdom	81,318	73,304
Oceania	26,112	25,794
Asia	1,420	1,449
North America	7,497	4,238
	116,347	104,785

(e) Information about major customers

Revenues from one customer of the Group's Construction segment represented approximately £7,375,000 thousand (2020: £nil) of the Group's total revenues. There are no other single customers which contributes 10% or more of the revenue in the half year ended 30 June 2021 and 30 June 2020, respectively.

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4. REVENUE

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major products/services, primary geographical locations and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Groups three reportable segments (see Note 3).

Half year ended	Reportable segments								All Other Segments			
	Education		Construction		Leisure		Total Reportable				Total	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Primary geographical												
United Kingdom	5,754	4,721	9,932	11,933	11,747	4,628	27,433	21,282	4,196	536	31,629	21,818
Oceania	-	-	15,328	5,549	-	-	15,328	5,549	-	-	15,328	5,549
Asia	204	-	-	-	-	-	204	-	-	-	204	-
North America	-	-	-	-	-	-	-	-	1,690	-	1,690	-
Other	-	-	-	-	-	-	-	-	796	-	796	-
	5,958	4,721	25,260	17,482	11,747	4,628	42,965	26,831	6,682	536	49,647	27,367
Major products/ services												
Course Training services	5,958	4,384	-	-	-	-	5,958	4,384	-	-	5,958	4,384
Other Education Training	-	337	-	-	-	-	-	337	-	-	-	337
Commercial Refurbishment	-	-	25,260	17,482	-	-	25,260	17,482	-	-	25,260	17,482
Sale of goods (caravans)	-	-	-	-	11,747	4,628	11,747	4,628	-	-	11,747	4,628
Transportation services	-	-	-	-	-	-	-	-	2,688	-	2,688	-
Health and care services	-	-	-	-	-	-	-	-	570	486	570	486
Property related services	-	-	-	-	-	-	-	-	349	-	349	-
Food and beverage sector	-	-	-	-	-	-	-	-	1,340	-	1,340	-
Engineering sector	-	-	-	-	-	-	-	-	1,735	-	1,735	-
Other services	-	-	-	-	-	-	-	-	-	50	-	50
	5,958	4,721	25,260	17,482	11,747	4,628	42,965	26,831	6,682	536	49,647	27,367
Timing of Revenue												
At a point in time	-	337	-	-	11,747	4,628	11,747	4,965	4,027	536	15,774	5,501
Over time	5,958	4,384	25,260	17,482	-	-	31,218	21,866	2,655	-	33,873	21,866
	5,958	4,721	25,260	17,482	11,747	4,628	42,965	26,831	6,682	536	49,647	27,367

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5. FINANCE COSTS, NET

	Half year	
	2021	2020
	£'000	£'000
<u>Financial income</u>		
Interest income	(5)	-
<u>Financial expense</u>		
Amortisation of transaction costs for convertible notes	-	36
Interest expenses on bonds	505	19
Interest expense on bank overdraft	-	5
Interest expense on borrowings	122	38
Interest expense on lease liabilities	129	22
Interest expense on other	14	20
Total Financial expense	770	140
Finance costs, net	765	140

6. PROFIT FOR THE HALF YEAR

Profit for the half year has been arrived at after charging/(crediting):

	Half year	
	2021	2020
	£'000	£'000
Depreciation and amortisation expenses		
Depreciation of plant and equipment	376	143
Amortisation of intangible assets	189	324
Amortisation of right-of-use assets	343	179
Total	908	646
Loss allowance on trade receivables	49	74
Net foreign exchange (gains)/losses	(35)	167
Loss on sale/disposal of fixed assets	96	-
Fair value gain on bond redemption	(89)	-
Other income		
Government grant income	397	227
Other income	349	163
Total	746	390
Salaries and wages		
Salaries and wages	4,588	2,311
Directors' remuneration – Directors of the Company	97	139
Directors' fees – Directors of the Company	-	19
Total salaries and wages	4,685	2,469

Income tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 30 June 2021 is 15%, compared to 7% for the six months ended 30 June 2020. The tax rate was lower in 2020 due to the utilisation of carried forward tax losses.

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7. EARNINGS PER SHARE

	Half year	
	2021 pence	2020 pence
Basic earnings per share		
From continuing operations	2.35	1.43
From discontinued operations	0.38	-
Total Basic earnings per share attributable to the ordinary equity holders of the company	2.73	1.43
Diluted earnings per share		
From continuing operations	2.24	1.43
From discontinued operations	0.36	-
Total Diluted earnings per share attributable to the ordinary equity holders of the company	2.60	1.43

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

	Half year	
	2021 £'000	2020 £'000
Basic earnings per share		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share:		
From continuing operations	1,687	661
From discontinued operations	272	-
	1,959	661
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share:		
From continuing operations	1,687	661
From discontinued operations	272	-
	1,959	661
	2021 Number ('000)	2020 Number ('000)
Weighted average number of ordinary shares for the purposes of basic earnings per share	71,714	46,125
Effect of dilutive potential ordinary shares from share options and convertible bonds	3,638	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	75,352	46,125

8. DIVIDENDS

	2021 £'000	2020 £'000
Proposed final dividend for the half year ended 30 June 2021 of EUR 0.005 (2020: EUR 0.005) per share	297	271

The proposed final dividend is subject to approval by shareholders and has not been provided for. The payment of this dividend will not have any tax consequences for the Group.

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9. GOODWILL

	Group £'000
Cost and carrying amount	
At 1 January 2020	36,540
Adjustments to previous business combinations	3,065
Arising on acquisition of subsidiaries	51,000
At 31 December 2020	90,605
Adjustments to previous business combinations (note 17)	1,223
Arising on acquisition of subsidiaries (note 17)	8,408
At 30 June 2021	100,236

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:

	30 June 2021 £'000	31 December 2020 £'000
Education sector	32,915	32,815
Construction service sector	37,323	37,800
Leisure sector	10,500	8,900
Health sector	1,030	1,030
Transportation services sector	10,210	6,210
Property service sector	3,850	3,850
Food and beverage sector	2,000	-
Engineering sector	2,408	-
	100,236	90,605

	Growth rates		Pre-tax discount rates	
	30 June 2021 %	31 December %	30 June 2021 %	31 December %
Education sector	5 - 30	5 - 25	9.04 - 9.40	9.04
Construction service sector	5 - 20	5 - 10	8.67 - 8.87	8.67 - 8.87
Leisure sector	8 - 10	10	9.08	9.08
Health services sector	35 - 45	20	8.26	8.26
Transportation services sector	10 - 30	20 - 30	9.08	9.08
Property service sector	10 - 25	10 - 25	6.25	6.25
Food and beverage sector	30	-	7.59	-
Engineering sector	30	-	8.87	-

Assumption	Description
Growth rates	The forecasted growth rates are based on published industry research, potential of growth within the industry, and do not exceed the long-term average growth rate for the industries relevant to the CGUs.
Pre-tax discount rates	Discount rates represent the current market assessment of the risks specific to each entity within the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Sensitivity to changes in assumptions

With regards to the assessment of value in use for both CGUs, the Group believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

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10. TRADE AND OTHER RECEIVABLES

	30 June 2021	31 December 2020
	£'000	£'000
Trade receivables	7,294	6,510
Contract assets	3,932	4,709
Loss allowance	(399)	(424)
	10,872	10,795
Other debtors	5,001	6,921
Prepayments	1,516	1,237
	17,344	18,953

11. INVENTORIES

	30 June 2021	31 December 2020
	£'000	£'000
Raw materials	210	128
Work in progress	99	320
Finished goods	3,159	3,609
Total	3,468	4,057

12. LOAN AND OTHER BORROWINGS

	30 June 2021	31 December 2020
	£'000	£'000
<u>Current</u>		
Bank overdraft	512	463
Bank loans (a)	1,294	931
Stock financing	1,748	3,276
	3,554	4,670
<u>Non-current</u>		
Bank loans (a)	4,924	4,882
Loan notes	1,300	1,800
	6,224	6,682
Total	9,778	11,352

(a) Bank loans

During the half year, the Group entered into total new loan facilities of £725,000 of which £696,000 was drawdown as at 30 June 2021. The loans have maturity dates between April 2021 and June 2052. The interest rates are variable and range between 0% and 19.66%.

13. BONDS

	30 June 2021	31 December 2020
	£'000	£'000
<u>Non-current</u>		
Bonds	27,609	23,261

Further information on the MBH Bond can be found on the Company's website <https://www.mbhcorporation.com/mbh-bond>.

The terms and conditions of outstanding bonds are as follows:

Type of loan	Currency	Nominal interest rate	Year of maturity	2021 Carrying amount £'000	2020 Carrying amount £'000
Unsecured loan	EUR	2.00%	2025	3,511	4,432
Unsecured loan	GBP	5.00%	2025	9,182	8,382
Unsecured loan	GBP	5.00%	2025	2,858	3,004
Unsecured loan	USD	5.00%	2025	2,168	2,196
Unsecured loan	GBP	5.00%	2025	5,435	5,247
Unsecured loan	GBP	5.00%	2025	1,479	-
Unsecured loan	GBP	5.00%	2025	2,976	-
				27,609	23,261

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14. CONTINGENT CONSIDERATION

	30 June 2021 £'000	31 December 2020 £'000
Amount due for settlement within 12 months (shown under current liabilities)	3,876	3,945
Amount due for settlement after 12 months (shown under non-current liabilities)	18,041	17,153
	21,917	21,098

15. TRADE AND OTHER PAYABLES

	30 June 2021 £'000	31 December 2020 £'000
Current		
Trade payables	5,867	6,081
Other taxation and social security	1,141	698
Other payables	1,687	1,965
Accruals	618	618
Advances received	13	8
Consideration payable	-	277
Deferred consideration (note 17)	10,539	5,739
Contract liabilities	383	269
Bonds interest payable	104	70
	20,352	15,725
Non-current		
Other payables	114	34
	20,466	15,759

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

16. ISSUED CAPITAL AND SHARE PREMIUM

	Allotted and issued #'000	Class	Nominal Value Euro	30 June 2021 £'000	31 December 2020 £'000
Share capital	-	Ordinary	1.00	-	62,723
Share capital	-	Deferred	0.99	63,909	-
Share capital	79,683	Ordinary	0.01	664	-
				64,573	62,723
Share premium				7,476	6,915
				72,049	69,638

On 18 June 2021 the Company sub-divided its issued share capital of 72,577,164 Ordinary shares of €1 each into 72,577,164 Ordinary shares of €0.01 each and 72,577,164 Deferred shares of €0.99 each. There was no change to the aggregate nominal value of the Company's share capital, nor any change to the number of ordinary shares in issue.

The sub-division did not involve any change to the rights attaching to the Ordinary Shares. The ordinary shares shall confer upon the holders the right to receive dividends and other distributions and participate in the income or profit of the Company.

The deferred shares shall confer upon the holders the following rights and shall be subject to the following restrictions:

- Income and Capital: The Deferred Shares are only entitled to participate in the assets of the Company on a return of assets on liquidation or capital reduction or otherwise after the holders of the Ordinary Shares shall have received the sum of £10,000,000 in respect of each Ordinary Share;
- Voting: None of the Deferred Shares carry any right to receive notice of or attend or vote at any general meeting of the Company;
- Transfer: the Deferred Shares are not capable of transfer;
- Repurchase: the Company has power and authority at any time to purchase all or any of the Deferred Shares for an aggregate consideration of £1, which shall be applied for the benefit of the Company; and
- Share Certificates: the holders of Deferred Shares shall not be entitled to require the Company to issue share certificates in respect of the Deferred Shares held by them.

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16. ISSUED CAPITAL AND SHARE PREMIUM (continued)

The following table reconciles the movements in the number of shares on issued and the movement in share capital by class of share and share premium:

	Number of shares	Share Capital				Share premium	Total
		Ordinary Share Capital at Euro 1.00	Ordinary Share Capital at Euro 0.01	Deferred Share Capital at Euro 0.99	Total Share Capital		
	'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2021	70,470	62,723	-	-	62,723	6,915	69,638
Issue of ordinary shares as consideration for a business combination	1,743	1,511	-	-	1,511	-	1,511
Credit to equity for equity-settled share-based payments	349	308	-	-	308	-	308
Issuance of ordinary shares	15	13	-	-	13	5	18
Sub-total prior to Share Division	72,577	64,555	-	-	64,555	6,920	71,475
Share division	-	(64,555)	646	63,909	-	-	-
Issue of ordinary shares as consideration for a business combination	1,002	-	9	-	9	272	281
Dividends declared	1,104	-	9	-	9	284	293
At 30 June 2021	74,683	-	664	63,909	64,573	7,476	72,049

17. BUSINESS COMBINATIONS

2021 Acquisitions

(a) Acquisition of subsidiaries

i) 3K's Engineering Company Limited ("3K's")

On 26 January 2021, the Group acquired, via a special purpose entity, 3K's Engineering Company Limited, a fabrication and heavy machining service provider in the United Kingdom. 3K's will be included in a newly created Engineering vertical in the Group.

The transaction has been accounted for by the acquisition method of accounting, with no consideration paid in cash.

The total consideration is to be settled in bonds and MBH shares. As at 30 June 2021, no bonds have been issued. The contingent consideration will be settled in MBH shares by the purchaser in accordance with the terms stipulated in the Share Purchase Agreement.

The consideration and fair value of assets and liabilities acquired has only been provisionally determined based on the management's best estimate of the likely values at the point of acquisition and will be finalised within 12 months from acquisition date.

ii) GBS Partners Inc. ("GBS")

On 15 February 2021, the Group acquired, via a special purpose entity, GBS Partners Inc. ("GBS"), a food manufacturing company trading as Boulder Sausage in the United States of America. GBS will be included in a newly created Food and Beverage vertical in the Group.

The transaction has been accounted for by the acquisition method of accounting, with no consideration paid in cash.

The total consideration is to be settled in bonds and MBH shares. The bonds amounting to £2,069,000 was issued on 27 May 2021 at the following terms: i) 5-year maturity with principal payable at maturity; and ii) 5% coupon rate per annum payable semi-annually. The contingent consideration will be settled in MBH shares by the purchaser in accordance with the terms stipulated in the Share Purchase Agreement.

The consideration and fair value of assets and liabilities acquired has only been provisionally determined based on the management's best estimate of the likely values at the point of acquisition and will be finalised within 12 months from acquisition date.

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17. BUSINESS COMBINATIONS (continued)

iii) 4X Limited ("4X")

On 15 March 2021, the Group acquired, via a special purpose entity, 4X Limited ("4X"), a taxi service provider in the United Kingdom. 4X Limited will be included in the Transport vertical in the Group.

The transaction has been accounted for by the acquisition method of accounting, with no consideration paid in cash.

The total consideration is to be settled in bonds and MBH shares. The bonds amounting to £906,000 was issued on 27 May 2021 at the following terms: i) 5-year maturity with principal payable at maturity; and ii) 5% coupon rate per annum payable semi-annually. The contingent consideration will be settled in MBH shares by the purchaser in accordance with the terms stipulated in the Share Purchase Agreement.

The consideration and fair value of assets and liabilities acquired has only been provisionally determined based on the management's best estimate of the likely values at the point of acquisition and will be finalised within 12 months from acquisition date.

iv) Intercity Private Hire Limited ("Intercity")

On 5 May 2021, the Group acquired, via a special purpose entity, Intercity Private Hire Limited ("Intercity"), a taxi service provider in the United Kingdom. Intercity will be included in the Transport vertical in the Group.

The transaction has been accounted for by the acquisition method of accounting, with £2,288,000 paid in cash.

The total consideration is to be settled in bonds and MBH shares. As at 30 June 2021, no bonds have been issued. The contingent consideration will be settled in MBH shares by the purchaser in accordance with the terms stipulated in the Share Purchase Agreement.

The consideration and fair value of assets and liabilities acquired has only been provisionally determined based on the management's best estimate of the likely values at the point of acquisition and will be finalised within 12 months from acquisition date.

	3Ks	GBS	4X	Intercity	Total
	£'000	£'000	£'000	£'000	£'000
<u>Fair value of assets acquired</u>					
Property, plant and equipment	1,075	265	252	60	1,652
Intangibles	-	-	-	11	11
Right-of-use assets	18	656	56	-	730
Investments	-	382	-	-	382
Trade and other receivables	963	374	259	805	2,401
Inventory	204	98	12	1	315
Cash and cash equivalents	697	221	188	2,452	3,558
Deferred tax asset	-	-	13	-	13
Trade and other payables	(808)	(90)	(352)	(67)	(1,317)
Lease liabilities	(18)	(684)	(110)	-	(812)
Loans and borrowings	(499)	-	-	-	(499)
Income tax payable	25	(7)	(46)	(100)	(128)
Deferred tax liability	(174)	-	-	(13)	(187)
Net identifiable assets/(liabilities) acquired	1,483	1,215	272	3,149	6,119
Add: goodwill (note 9)	2,408	2,000	1,600	2,400	8,408
Total consideration	3,891	3,215	1,872	5,549	14,527
<u>Breakdown</u>					
Consideration – Cash	-	-	-	2,288	2,288
Consideration – MBH shares	426	-	-	879	1,305
Bonds	2,964	2,069	906	1,801	7,740
Other non-monetary asset	424	954	562	155	2,095
Contingent consideration	77	192	404	426	1,099
Total consideration	3,891	3,215	1,872	5,549	14,527
<u>Effects on cash flows of the Group</u>					
Cash paid	-	-	-	(2,288)	(2,288)
(Less) / Add: net of cash and cash equivalents and bank overdraft in businesses acquired	697	221	188	2,452	3,558
Cash inflow/(outflow) on acquisition	697	221	188	164	1,270

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17. BUSINESS COMBINATIONS (continued)

(b) Goodwill arising on acquisitions

Goodwill amounting to £8,408,000 (2020: £51,000,000) 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.

(c) Impact of acquisitions on the results of the Group

Included in the revenue and profit after income tax for the half year is £3,748,000 and £8,000 respectively attributable to the additional business generated by the above acquisitions. Had these business combinations been effected at 1 January 2021, the revenue and profit after income tax for the half year of the Group from continuing operations would have been as follows:

	Revenue	Profit/(Loss)
	£'000	after income tax
		£'000
3Ks	1,920	73
GBS	1,631	(4)
4X	684	(1,063)
Intercity	755	122
Total	4,990	(872)

The Directors consider these "pro-forma" numbers to represent an approximate measure of the performance of the combined Group on an annualised basis and to provide a reference point of comparison in future periods. The total profit/(loss) after tax is not an accurate representation of the trading results for the Group as the pre-acquisition results include significant one-off transactions which would not normally occur under the Group's ownership if the companies have been acquired at the beginning of the current year.

(d) Acquisition-related costs

In 2021, acquisition-related costs amounting £3,943 had been excluded from the consideration transferred and have been recognised as an expense in the period, within the "non-operating expenses" line item in the statement of comprehensive income.

2020 Acquisitions

As disclosed in the 31 December 2020 annual report and accounts the Group acquired 100% of the issued share capital and voting rights of:

- SHH Topco Limited and Samuel Hobson House limited ("SHH Group")
- Robinsons Caravans Holding Company Ltd and Robinsons Caravans Limited ("Robinsons Group")
- Logistica Training Limited ("Logistica")
- Learning Wings Pte Ltd ("Learning Wings")
- G.S. Contracts Holdings Ltd and G.S. Contracts (Joinery) Ltd ("G.S Group")
- C&B Pty Ltd trading as Cobul Construction ("Cobul")

A provisional fair value exercise to determine the fair value of assets and liabilities acquired in relation to the above acquisitions was carried out. Within the twelve-month hindsight period, the Group has reassessed the provisional fair values, which have now been finalised as per the table below.

Per note 9 the adjustment to previous business combinations of £1,223,000 relates to the movement in goodwill. As disclosed in the 2020 financial statements, the goodwill was £34,240,000.

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17. BUSINESS COMBINATIONS (continued)

Final recognised amounts of identifiable net assets

	SHH Group	Robinsons Group	Logistica	Learning Wings	G.S. Group	Cobul	Total
	£'000	£'000	£'000	£'000	£'000		£'000
<u>Fair value of assets acquired</u>							
Property, plant and equipment	1,849	2,507	2	251	858	16	5,483
Intangibles	-	145	-	-	-	-	145
Right-of-use assets	-	-	-	56	-	13	69
Trade and other receivables	890	862	477	197	452	331	3,209
Inventory	-	4,645	-	-	35	-	4,680
Cash and cash equivalents	3	452	1,982	22	299	480	3,238
Deferred tax asset	-	73	5	-	-	49	127
Trade and other payables	(446)	(5,505)	(73)	(21)	(754)	(429)	(7,228)
Loans and borrowings	(526)	(1,987)	-	(303)	(350)	-	(3,166)
Lease liabilities	-	-	-	(58)	-	(13)	(71)
Income tax payable	-	(47)	(54)	(6)	26	(48)	(129)
Deferred tax liability	(64)	(26)	-	-	(92)	-	(182)
Contingent consideration	-	-	-	-	-	(187)	(187)
Net identifiable assets/ (liabilities) acquired	1,706	1,119	2,339	138	474	212	5,988
Add: goodwill	1,030	10,500	9,200	1,000	1,540	12,193	35,463
Total consideration	2,736	11,619	11,539	1,138	2,014	12,405	41,451

Elements of consideration

Cash	-	-	1,817	-	-	-	1,817
Offset of directors' accounts	-	-	342	-	-	-	342
Other non-monetary asset	-	-	-	-	-	393	393
MBH shares	150	-	-	220	379	2,392	3,141
Bonds/Loan note	1,800	9,001	5,746	-	760	5,247	22,554
Deferred consideration	-	434	-	521	601	351	1,907
Contingent consideration	786	2,184	3,634	397	274	4,022	11,297
Total consideration	2,736	11,619	11,539	1,138	2,014	12,405	41,451

Effects on cash flows of the Group

Cash paid	-	-	(1,817)	-	-	-	(1,817)
(Less)/Add: net of cash and cash equivalents and bank overdraft in businesses acquired	3	452	1,982	22	299	480	3,238
Cash inflow/(outflow) on acquisition (restated)	3	452	165	22	299	480	1,421

18. ASSETS AND LIABILITIES HELD FOR SALE

(a) Description

On 26 May 2021 the Group announced its intention to divest the Parenta Group (comprising Amplify Investments Ltd and its wholly-owned subsidiaries), subject to shareholder and regulatory agreement. The assets and liabilities of the Parenta Group are consequently presented as held for sale in the 30 June 2021 interim financial statements.

The disposal has not yet been completed and is subject to shareholder approval at an extraordinary general meeting. Management expects the disposal to be completed by 31 October 2021. The consideration for the disposal will be an exchange of 10,000,000 shares held in the Group.

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18. ASSETS AND LIABILITIES HELD FOR SALE (continued)

(b) Financial performance and cash flow information

The financial performance and cash flow information presented reflects the operations for the six months ended 30 June 2021:

	Half year	
	2021	2020
	£'000	£'000
Revenue from contracts with customers	3,054	-
Cost of sales	(1,472)	-
Gross profit	1,582	-
Other income	17	-
Administrative expenses	(1,237)	-
Finance costs, net	(16)	-
Operating profit before income tax	346	-
Income tax benefit/(expense)	(74)	-
Profit from continuing operations	272	-
Net cash inflow from ordinary activities	214	-
Net cash outflow from investing activities	(240)	-
Net cash inflow from financing activities	162	-
Net increase in cash generated by the subsidiary	136	-
	Cents	Cents
Basic earnings per share from discontinued operations (note 7)	0.38	-
Diluted earnings per share from discontinued operations (note 7)	0.36	-

(c) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 30 June 2021:

	Half year	
	2021	2020
	£'000	£'000
Assets classified as held for sale		
Property, plant and equipment	81	-
Intangible assets	2,422	-
Right-of-use assets	123	-
Cash and cash equivalents	444	-
Trade and other receivables	2,920	-
Total assets of disposal group held for sale	5,990	-
Liabilities directly associated with assets classified as held for sale		
Lease liabilities	128	-
Deferred tax liabilities	3	-
Loan and other borrowings	459	-
Trade and other payables	462	-
Current tax liabilities	74	-
Total liabilities of disposal group held for sale	1,126	-

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19. SUBSEQUENT EVENTS

On 26 July 2021, a subsidiary within the Group entered into new finance facility. The total available amount under the facility is £300,000, which is expected to be drawn down over the next 12 months.

On 19 August 2021, the Company announced acquisition of 100% of the share capital of Vista Care Solutions Limited (Vista Care), a company whose principal activity is as a home care agency provider in the United Kingdom. Vista Care will be included in the health vertical in the Group. The financial effects of the acquisition have not been recognised as at 30 June 2021. The operating results and assets and liabilities of the acquired companies will be consolidated from 1 September 2021. As at reporting date, the status of acquisition accounting is incomplete and does not permit the disclosure of any pro-forma financial information.

Other than the matters outlined above, no matters or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations, results of operations or state of affairs of the Group in subsequent accounting periods.



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