

21 August 2019

Empresaria Group plc (“Empresaria” or “Group”)

Unaudited Interim Results for the six months ended 30 June 2019

On track to meet full year market expectations for profit

Empresaria Group plc (AIM: EMR), the international specialist staffing group, announces its unaudited interim results for the six month period ended 30 June 2019.

Overview of the half year

| | 2019 | 2018 | % change | % change (constant currency) ² |
|---|---------|---------|----------|---|
| Revenue | £175.5m | £178.3m | -2% | -2% |
| Net fee income (gross profit) | £36.3m | £34.0m | +7% | +6% |
| Adjusted operating profit ¹ | £4.3m | £5.0m | -14% | -14% |
| Operating profit | £2.9m | £4.2m | -31% | -31% |
| Adjusted profit before tax ¹ | £3.7m | £4.7m | -21% | -21% |
| Profit before tax | £2.3m | £3.9m | -41% | -41% |
| Adjusted, diluted earnings per share ¹ | 3.3p | 5.0p | -34% | |
| Diluted earnings per share | 1.4p | 3.8p | -63% | |

- Diversified business delivering solid growth in net fee income
 - +7%, +6% in constant currency
 - 55% growth in Offshore Recruitment Services sector
- Fall in profits in the first half as expected
 - Low starting point for temps in Germany and Japan following regulatory changes in 2018
 - Investment in central team from 2018 H2
 - Impact of Brexit uncertainty in certain UK markets
- Aligned businesses around core sectors
 - 5 sectors - Professional, IT, Engineering, Commercial and Offshore Recruitment Services
 - Drive to improve collaboration and leverage synergies
- Focus on organic growth
 - Launched Stronger Together initiative
 - Expanding existing brands into new markets - 3 new office openings
 - Investment in Technology - signed an agreement with Bullhorn to bring their product to multiple businesses
- Revenue down due to change in mix between temp, perm and offshore recruitment services.
 - First time contribution from Grupo Solimano offset by reductions in our aviation business where we saw falls from a change in billing method (with no impact on net fee income) and a more challenging market as expected.
- Diluted, adjusted earnings per share down 34% on prior year reflecting profit mix with an increased contribution from companies with a higher non-controlling interest.
- Adjusted net debt of £18.1m, increased from £17.1m at 31 December 2018 and expected to reduce in the second half.
- Remain on course to deliver full year market expectations for profit.

1 Adjusted to exclude amortisation of intangible assets identified in business combinations, exceptional items, gain or loss on disposal of businesses, fair value charges on acquisition of non-controlling shares and in the case of earnings also adjusted for any related tax.

2 The constant currency movement is calculated by translating the 2018 results at the 2019 exchange rates.

A video interview with management covering the first half performance is available here: http://bit.ly/EMRH1_19

Chief Executive Officer, Rhona Driggs, commented:

“We are encouraged by our net fee income growth and we remain focused on efforts to further improve organic growth across the Group. Although as expected, profit in the first half was lower than the prior year we remain on track to meet full year market expectations for profit.”

“Our core geographies continue to show economic growth but there are headwinds from Brexit, a weakening German economy and increased geo-political risk. Operationally we are taking steps to ensure that we are truly leveraging the benefits of being a diversified group. As part of this, we have recently announced the alignment of our business into core sectors to improve collaboration and to leverage synergies in our operations. Our diversified and specialist model provides a hedge against exposure to any one region or sector.”

“We believe the actions we are taking are the right ones and that we are well placed to continue to drive organic growth and to improve profitability.”

- Ends –

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The investor presentation of these results will be made available during the course of today on Empresaria's website: empresaria.com

Notes for editors:

- Empresaria Group plc is an international specialist staffing group offering temporary and contract recruitment, permanent recruitment and offshore recruitment services across 5 sectors: Professional, IT, Engineering, Commercial and Offshore Recruitment Services.
- Empresaria operates in 21 countries across the world including the 4 largest staffing markets of the US, Japan, UK and Germany along with a strong presence elsewhere in Asia Pacific and Latin America.
- Empresaria applies a multi-brand, management equity philosophy and business model, with group company management teams holding significant equity in their own business.
- Empresaria is listed on AIM under ticker EMR. For more information: empresaria.com

Cautionary statement regarding forward-looking statements

This document may contain forward-looking statements which are made in good faith and are based on current expectations or beliefs, as well as assumptions about future events. You can sometimes, but not always, identify these statements by the use of a date in the future or such words as “will”, “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “should”, “may”, “assume” and other similar words. By their nature, forward-looking statements are inherently predictive and speculative and

involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. You should not place undue reliance on these forward-looking statements, which are not a guarantee of future performance and are subject to factors that could cause our actual results to differ materially from those expressed or implied by these statements. Empresaria undertakes no obligation to update any forward-looking statements contained in this document, whether as a result of new information, future events or otherwise.

Finance and operating review

Empresaria has delivered a solid first half performance with net fee income up 7% to £36.3m demonstrating the strength of our diverse business. This result is despite starting from a lower base following regulatory changes in our key German and Japan markets last year and Brexit uncertainty impacting our UK businesses. Costs have risen in those businesses experiencing growth, but have not fallen as quickly where net fee income is down due to the challenges above. As a result of this and a higher central cost base following the investments made in the second half of 2018, adjusted operating profit is down 14% to £4.3m. Adjusted profit before tax is £3.7m (2018: £4.7m). The adoption of IFRS 16 Leases, applied prospectively from 1 January 2019, has reduced adjusted profit before tax by £0.1m in the first half. Adjusted, diluted, earnings per share is down 34% impacted by the lower profit figure and that a greater proportion of profits have been derived from businesses with a higher non-controlling interest.

A truly diversified Group, working together

The diversified nature of the Group has continued to deliver benefits during the period. We now have over 1,950 staff working across our five sectors. While the Professional sector contributes 43% of net fee income, this is also our most diverse sector placing roles across a broad spectrum of professions including airline pilots, accountants, doctors and butlers. No other sector contributes more than a quarter of the Group's net fee income. We continue to have a diversified revenue stream with 55% of net fee income generated from temporary or contract business, 38% from permanent placements and 8% from Offshore Recruitment Services which strengthens the Group's resilience.

While our diversification remains a key strength we see the opportunity for great benefits from closer collaboration between our businesses. In May we launched our Stronger Together initiative which involves all our businesses and, as well as organising these within our new sector segmental structure, looks to identify and drive areas of synergy in areas such as recruitment, sales and back office operations. We expect to see these initiatives start to deliver tangible benefits over the next 12 months.

As part of our collaboration initiatives, we have reviewed our segmental reporting and management structure and aligned our business around our core staffing sectors of Professional, IT, Engineering, Commercial and Offshore Recruitment Services. This will be a key driver in delivering improved results through increased collaboration across the Group as part of our Stronger Together initiative described in more detail below.

Driving growth and productivity

We remain focused on driving organic growth and improving productivity throughout the Group and the initiatives we have implemented will have a key role in helping us deliver this. At the same time we are exploring ways in which we can scale our larger brands into new markets. During 2019 we have opened three new offices, with ConSol Partners opening in Austin, USA and Become opening offices in Brisbane, Australia and Auckland, New Zealand. Our expertise across our sectors gives us the opportunity to rapidly develop existing, and enter new, markets by replicating these established, successful approaches.

Technology continues to be a key focus area. In July we signed a deal with Bullhorn to bring their technology platform to multiple brands in the Group. Bullhorn is a market leader in recruitment software, and we expect these businesses, which in some cases have historically under invested in technology, to experience significant benefits once this technology is fully implemented.

Leadership changes

In June 2019 Spencer Wreford stepped down as CEO. Spencer had been with the Group for ten years as CFO, COO and then CEO. The Board would like to thank Spencer for his contributions during his various roles in the Group and wish him well for the future. The costs associated with this have been shown as an exceptional item in the income statement and total £0.5m.

Rhona Driggs has been appointed as CEO, having joined the Group in November 2018 as Chief Operating Officer. She has almost 30 years' experience working in international companies within the staffing sector and has a proven track record of delivering growth and driving innovation.

Sector Performance

Adjusted operating profit by sector

| £'m | 30 June 2019 | 30 June 2018 | % change | % change (constant currency) | 31 December 2018 |
|-------------------------------|-----------------|-----------------|----------|------------------------------------|------------------------|
| Professional | 2.0 | 2.0 | - | -1% | 5.4 |
| IT | 1.3 | 1.5 | -13% | -16% | 3.2 |
| Engineering | (0.4) | 0.1 | n/a | n/a | (0.1) |
| Commercial | 1.9 | 2.2 | -14% | -13% | 5.6 |
| Offshore Recruitment Services | 1.4 | 0.7 | +100% | +100% | 1.9 |
| Central costs | (1.9) | (1.5) | +27% | +27% | (3.7) |
| Group | 4.3 | 5.0 | -14% | -14% | 12.3 |

Performance in each of the sectors is analysed below. The increase in central costs reflects the investments made in the central team in the second half of 2018 which are showing their full effect in the first half of 2019.

Professional

| £'m | 30 June 2019 | 30 June 2018 | % change | % change (constant currency) | 31 December 2018 |
|---------------------------|-----------------|-----------------|----------|------------------------------------|------------------------|
| Revenue | 68.3 | 77.0 | -11% | -11% | 154.0 |
| Net fee income | 15.6 | 14.4 | +8% | +7% | 30.7 |
| Adjusted operating profit | 2.0 | 2.0 | - | -1% | 5.4 |
| % of Group net fee income | 43% | 42% | | | 42% |

Our Professional sector has had a mixed first half with some strong performances offset by the impact of Brexit and challenging markets elsewhere. The fall in revenue is driven by our airline pilot business which, as previously communicated, expected more challenging market conditions in 2019. However, part of the reduction is due to a change in the billing structure for a number of pilots which, following a base transfer, have moved from our payroll onto our clients payroll. This means that while we achieve the same net fee income, we do not gross up the revenue for salary costs. When combined with improved ancillary revenues this business has seen increases in both net fee income and adjusted operating profit against prior year. Overall this sector has seen growth in net fee income with the challenges of Brexit uncertainty, particularly in our businesses which operate in the financial services and house building markets, being more than offset by strong performances elsewhere. Adjusted operating profit is in line with last year as costs have not fallen as rapidly as net fee income in those businesses impacted by Brexit uncertainty.

IT

| £'m | 30 June 2019 | 30 June 2018 | % change | % change (constant currency) | 31 December 2018 |
|---------------------------|-----------------|-----------------|----------|------------------------------------|------------------------|
| Revenue | 21.4 | 21.6 | -1% | -3% | 44.0 |
| Net fee income | 6.8 | 6.5 | +5% | +2% | 13.6 |
| Adjusted operating profit | 1.3 | 1.5 | -13% | -16% | 3.2 |

| | | | |
|---------------------------|-----|-----|-----|
| % of Group net fee income | 19% | 19% | 19% |
|---------------------------|-----|-----|-----|

In our IT sector, revenue has fallen due to lower revenue in Japan where we are rebuilding the temporary base following the regulatory changes last year. At a net fee income level this has been more than offset by improvements in permanent revenue in Japan and by growth elsewhere. The UK has had a particularly strong first half with growth in both its permanent and temporary net fee income, although our US business has dropped back following a very strong 2018. The start-up losses of 4ward Talent, launched in December 2018, and the investment in the new ConSol Partners office in Austin, Texas opened in April 2019, mean that adjusted operating profit for the first half has fallen. We are confident that these new investments will help drive growth over the longer term although may continue to generate losses in H2.

Engineering

| £'m | 30 June 2019 | 30 June 2018 | % change | % change (constant currency) | 31 December 2018 |
|----------------------------------|-----------------|-----------------|----------|------------------------------------|------------------------|
| Revenue | 12.2 | 14.9 | -18% | -19% | 29.3 |
| Net fee income | 2.2 | 2.6 | -15% | -15% | 4.9 |
| Adjusted operating (loss)/profit | (0.4) | 0.1 | n/a | n/a | (0.1) |
| % of Group net fee income | 6% | 8% | | | 7% |

Our Engineering sector, which is primarily based in the UK, has struggled in the first half of 2019 with challenging market conditions and the ongoing impact from Brexit. Both revenue and net fee income are down significantly with the temporary revenue being most impacted. As a result the sector has recorded a loss for the first half of the year. The UK business has been restructured with changes to key management and a clear focus to target the more lucrative white collar market and while trading in the second half of the year is expected to remain difficult, we expect to start seeing these changes having an impact as we move into 2020.

Commercial

| £'m | 30 June 2019 | 30 June 2018 | % change | % change (constant currency) | 31 December 2018 |
|---------------------------|-----------------|-----------------|----------|------------------------------------|------------------------|
| Revenue | 68.4 | 61.9 | +11% | +12% | 132.8 |
| Net fee income | 9.1 | 8.9 | +2% | +3% | 19.2 |
| Adjusted operating profit | 1.9 | 2.2 | -14% | -13% | 5.6 |
| % of Group net fee income | 25% | 26% | | | 27% |

Our Commercial sector has benefitted from the contribution of our investment in Peru made in July last year. Excluding this investment, revenue and net fee income would be down on prior year and this reduction in the first half was expected as our German business, impacted by the changes in regulations last year, is looking to rebuild its temp base starting from a lower position than it did in 2018. This has been progressing well although progress has been offset by the impact from the weakening of the German automotive sector which represents a key market. As a result adjusted profit for the first half is down on prior year but following an extensive cost management exercise in the effected businesses, we expect to see improvements in the second half.

Offshore Recruitment Services

| £'m | 30 June 2019 | 30 June 2018 | % change | % change (constant currency) | 31 December 2018 |
|---------------------------|-----------------|-----------------|----------|------------------------------------|------------------------|
| Revenue | 5.4 | 3.1 | +74% | +74% | 7.1 |
| Net fee income | 2.8 | 1.8 | +55% | +55% | 4.3 |
| Adjusted operating profit | 1.4 | 0.7 | +100% | +100% | 1.9 |
| % of Group net fee income | 8% | 5% | | | 6% |

In our Offshore Recruitment Services sector we have continued to see significant growth following a very strong 2018 with good results from its key US and UK markets. Our business in India moved into new premises at the start of the year which has given it the capacity to continue to expand its headcount which is now in excess of 1,000. We see this sector as a key driver of the Group's future growth and while there are some potential headwinds from the impact of Brexit on GBP exchange rates, the business is well placed to deliver a strong second half.

Regional summary

| £'m | Revenue | | Net fee income | | Adjusted operating profit | |
|--------------------------|-----------------|-----------------|-----------------|-----------------|---------------------------|-----------------|
| | 30 June 2019 | 30 June 2018 | 30 June 2019 | 30 June 2018 | 30 June 2019 | 30 June 2018 |
| UK | 40.2 | 42.1 | 11.8 | 11.6 | 0.9 | 1.5 |
| Continental Europe | 44.5 | 47.2 | 6.7 | 7.5 | 1.2 | 1.8 |
| Asia Pacific | 62.0 | 68.2 | 13.5 | 10.9 | 3.3 | 2.1 |
| Americas | 29.0 | 21.0 | 4.5 | 4.2 | 0.8 | 1.1 |
| Central costs/intragroup | (0.2) | (0.2) | (0.2) | (0.2) | (1.9) | (1.5) |
| Total | 175.5 | 178.3 | 36.3 | 34.0 | 4.3 | 5.0 |

In the UK we have seen an adverse impact from Brexit uncertainty across a number of our businesses with hiring activity reducing in financial services and construction related industries. Positive growth in other UK businesses, including in the IT sector, has offset the impact on net fee income, however, adjusted operating profit has been impacted by Brexit uncertainty and the challenges facing our Engineering business in the UK.

In Continental Europe we have seen a reduction as previously communicated as the businesses in Germany look to rebuild their temporary numbers following regulatory changes last year. As described in more detail above, the weakness of the automotive industry in Germany has also had an adverse impact.

In Asia Pacific we have seen strong growth in both net fee income and adjusted operating profit reflecting the strong performance of a number of our businesses there, including in our Offshore Recruitment Services and Professional Sectors. Revenue has reduced in our airline pilots business, without any adverse impact on net fee income, as explained in the Professional Sector section above.

The Americas segment has seen solid performances from our Latin America businesses, including the contribution from our July 2018 investment in Peru, which has been offset by a dip in our US IT business which had a challenging comparative following an excellent start to last year.

Taxation

The tax charge in the period was £1.0m (2018: £1.4m) representing an effective rate of 43% (2018: 37%). On an adjusted basis the effective tax rate was 36% (2018: 34%).

Financing

Net finance costs remain low at £0.6m (2018: £0.3m) reflecting the current low levels of variable interest payable on the Group's debt. The increase from prior year includes an interest charge of £0.2m from the adoption of IFRS 16 Leases (see note 1) which has been applied prospectively from 1 January 2019 with no requirement to restate comparatives, and a £0.1m interest charge on tax payments.

Net cash inflow from operating activities was £nil (2018: £1.8m). Excluding pilot bond repayments (which are excluded from our principle debt measure as described below) and allowing for the cash flows on leases (shown within the financing section of the cash flow statement for 2019 following the adoption of IFRS 16 Leases), free cash flow was £1.1m (2018: £2.0m) with the reduction reflecting higher tax payments from the settlement of accrued tax liabilities following completion of tax audits.

Adjusted net debt (which excludes £1.2m cash held in respect of pilot bonds and does not include Lease liabilities recognised under IFRS 16 leases) was £18.1m as at 30 June 2019, lower than the £19.5m as at 30 June 2018 but an increase on the £17.1m at 31 December 2018. The Group's debt to debtors ratio (adjusted net debt as a percentage of trade receivables) increased slightly in the period to 38% (30 June 2018: 44%, 31 December 2018: 36%).

As in prior years the Group's cash flow is weighted towards the second half of the year when a more significant operating cash inflow is typically recorded. We would therefore expect adjusted net debt to reduce in the second half of the year, even after allowing for the investment in ConSol Partners in July.

A breakdown of the Group's facilities as at 30 June 2019 is given below:

| | 30 June 2019 £m | 30 June 2018 £m | 31 December 2018 £m |
|--|--------------------------------|-----------------------|---------------------------|
| UK facilities | | | |
| - Overdrafts | 7.5 | 7.5 | 7.5 |
| - Revolving credit facility | 10.0 | 10.0 | 10.0 |
| - Term loan | - | 1.2 | - |
| - Invoice financing facility | 13.0 | 13.0 | 13.0 |
| Total UK facilities | 30.5 | 31.7 | 30.5 |
| Continental Europe facilities | 12.9 | 12.7 | 12.9 |
| Asia Pacific facilities | 2.4 | 1.4 | 1.5 |
| Americas facilities | 4.6 | 3.8 | 4.5 |
| | 50.4 | 49.6 | 49.4 |
| Undrawn facility (excluding invoice financing) | 12.0 | 16.9 | 16.7 |

The level of undrawn facilities has reduced during the period due to the repayment of £4.1m of pilot bonds following a change in a key client's requirement to hold bonds. All those bonds have now been repaid with £1.2m of pilot bonds remaining which relates to other clients.

The Revolving Credit Facility covenants are tested on a quarterly basis. The Group continues to have significant headroom and the covenants as at 30 June 2019 are as follows:

| Measure | Covenant | Actual |
|--------------------|-----------------|---------------|
| Net debt:EBITDA | < 2.5 times | 0.9 |
| Interest cover | > 5.0 times | 17.1 |
| Debt service cover | > 1.25 times | 5.2 |

In July the Group activated £4m of the available £5m accordion extension to the revolving credit facility in order to facilitate the £3.5m investment in ConSol Partners as detailed below.

Management equity

In July 2019 the Group increased its investment in ConSol Partners from 65% to 82.5% for total consideration of £3.5m. This investment was done on the same terms as per the original acquisition in 2016 and is expected to have a positive impact on earnings in the current year. There were no transactions in the 6 months to 30 June 2019.

Based on the Group's results for the year ended 31 December 2018 and ignoring holding period requirements, the potential payment to acquire non-controlling interests in full (excluding the ConSol Partners investment in July) would be in the range of £8.5m to £12.0m, with the lower end of the range based on Empresaria's current share price and the upper end assessed using the maximum multiple that could be applied. There is no legal obligation on the Group to acquire the shares held by management at any time.

Dividend

In line with prior years, the Board is not recommending the payment of an interim dividend for 2019 (2018: nil). The 2018 full year dividend of 2.0p per share was paid during the period.

Outlook

The Board is confident that the Group's strong diversified platform will drive our next stage of growth. Our focus on delivering organic growth is rooted in strengthening our core brands in our key markets. The structural drivers remain strong, with high demand for specialist skills across our target sectors.

While the macro economic environment is mixed, the Group's core geographies are still showing economic growth. We are cognisant of headwinds including Brexit, a weaker German economy and increased geo-political risk and we have planned appropriately. The Group's diversified business model and specialist focus provides a hedge against exposure to any one region or sector.

The Board is confident in the Group's ability to deliver future growth and we are taking the right actions and decisions to enable this. The Group remains on track to deliver full year expectations for profit and we look forward to the future with optimism.

21 August 2019

Condensed consolidated income statement
Six months ended 30 June 2019

| | | 6 months to 30 June 2019 | 6 months to 30 June 2018 | Year to 31 December 2018 |
|--|-------|---|--------------------------------|--------------------------------|
| | Notes | Unaudited £m | Unaudited £m | £m |
| Revenue | 3 | 175.5 | 178.3 | 366.8 |
| Cost of sales | | (139.2) | (144.3) | (294.5) |
| Net fee income | 3 | 36.3 | 34.0 | 72.3 |
| Administrative costs | | (32.0) | (29.0) | (60.0) |
| Adjusted operating profit | 3 | 4.3 | 5.0 | 12.3 |
| Exceptional items | | (0.5) | - | (0.3) |
| Amortisation of intangible assets identified in business combinations | | (0.9) | (0.8) | (1.7) |
| Operating profit | | 2.9 | 4.2 | 10.3 |
| Finance income | 4 | 0.1 | 0.1 | 0.2 |
| Finance costs | 4 | (0.7) | (0.4) | (1.1) |
| Net finance costs | 4 | (0.6) | (0.3) | (0.9) |
| Profit before tax | | 2.3 | 3.9 | 9.4 |
| Taxation | 6 | (1.0) | (1.4) | (3.6) |
| Profit for the period | | 1.3 | 2.5 | 5.8 |
| Attributable to: | | | | |
| Owners of Empresaria Group plc | | 0.7 | 2.0 | 4.6 |
| Non-controlling interests | | 0.6 | 0.5 | 1.2 |
| | | 1.3 | 2.5 | 5.8 |
| Earnings per share (pence) | | | | |
| Basic | 7 | 1.4 | 3.8 | 9.2 |
| Diluted | 7 | 1.4 | 3.8 | 9.1 |
| Adjusted earnings per share (pence) | | | | |
| Basic | 7 | 3.4 | 5.0 | 12.2 |
| Diluted | 7 | 3.3 | 5.0 | 12.1 |

Condensed consolidated statement of comprehensive income
Six months ended 30 June 2019

| | 6 months to 30 June 2019 Unaudited £m | 6 months to 30 June 2018 Unaudited £m | Year to 31 December 2018 £m |
|--|--|---|--------------------------------------|
| Profit for the period | 1.3 | 2.5 | 5.8 |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to income statement: | | | |
| Exchange differences on translation of foreign operations | 0.3 | (0.2) | 0.8 |
| Items that will not be reclassified to income statement: | | | |
| Exchange differences on translation of non-controlling interests in foreign operations | - | (0.1) | (0.1) |
| Other comprehensive income/(loss) for the period | 0.3 | (0.3) | 0.7 |
| Total comprehensive income for the period | 1.6 | 2.2 | 6.5 |
| Attributable to: | | | |
| Equity holders of the parent | 1.0 | 1.8 | 5.4 |
| Non-controlling interests | 0.6 | 0.4 | 1.1 |
| | 1.6 | 2.2 | 6.5 |

Condensed consolidated balance sheet
As at 30 June 2019

| | | 30 June 2019 Unaudited £m | 30 June 2018 Unaudited £m | 31 December 2018 £m |
|--|-------|------------------------------------|------------------------------------|---------------------------|
| | Notes | | | |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | | 2.5 | 1.5 | 2.1 |
| Right-of-use assets | 1 | 13.5 | - | - |
| Goodwill | | 37.2 | 35.8 | 37.1 |
| Other intangible assets | | 16.8 | 17.3 | 17.7 |
| Deferred tax assets | | 1.6 | 1.0 | 1.5 |
| | | 71.6 | 55.6 | 58.4 |
| Current assets | | | | |
| Trade and other receivables | 10 | 58.5 | 54.9 | 57.3 |
| Cash and cash equivalents | 9 | 21.2 | 26.9 | 25.4 |
| | | 79.7 | 81.8 | 82.7 |
| Total assets | | 151.3 | 137.4 | 141.1 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade and other payables | 11 | 39.1 | 42.3 | 41.9 |
| Current tax liabilities | | 1.4 | 2.2 | 3.2 |
| Borrowings | 8 | 28.9 | 36.9 | 32.0 |
| Lease liabilities | 1 | 6.1 | - | - |
| | | 75.5 | 81.4 | 77.1 |
| Non-current liabilities | | | | |
| Borrowings | 8 | 9.2 | 2.2 | 5.2 |
| Lease liabilities | 1 | 7.5 | - | - |
| Deferred tax liabilities | | 3.9 | 4.0 | 4.2 |
| | | 20.6 | 6.2 | 9.4 |
| Total liabilities | | 96.1 | 87.6 | 86.5 |
| Net assets | | 55.2 | 49.8 | 54.6 |
| EQUITY | | | | |
| Share capital | | 2.4 | 2.4 | 2.4 |
| Share premium account | | 22.4 | 22.4 | 22.4 |
| Merger reserve | | 0.9 | 0.9 | 0.9 |
| Retranslation reserve | | 6.2 | 4.8 | 5.8 |
| Equity reserve | | (7.7) | (7.7) | (7.7) |
| Other reserves | | (0.6) | (0.7) | (0.7) |
| Retained earnings | | 22.9 | 20.6 | 23.2 |
| Equity attributable to owners of Empresaria Group plc | | 46.5 | 42.7 | 46.3 |
| Non-controlling interests | | 8.7 | 7.1 | 8.3 |
| Total equity | | 55.2 | 49.8 | 54.6 |

Condensed consolidated statement of changes in equity
Six months ended 30 June 2019

Equity attributable to owners of Empresaria Group plc

| | Share capital | Share premium account | Merger reserve | Retranslation reserve | Equity reserve | Other reserves | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---------------|-----------------------|----------------|-----------------------|----------------|----------------|-------------------|-------|---------------------------|--------------|
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| Balance at 31 December 2017 | 2.4 | 22.4 | 0.9 | 5.0 | (7.5) | (0.7) | 19.6 | 42.1 | 6.8 | 48.9 |
| Profit for the period | - | - | - | - | - | - | 2.0 | 2.0 | 0.5 | 2.5 |
| Exchange differences on translation of foreign operations | - | - | - | (0.2) | - | - | - | (0.2) | (0.1) | (0.3) |
| Total comprehensive income for the period | - | - | - | (0.2) | - | - | 2.0 | 1.8 | 0.4 | 2.2 |
| Dividend paid to owners of Empresaria Group plc | - | - | - | - | - | - | (0.6) | (0.6) | - | (0.6) |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | (0.2) | (0.2) |
| Acquisition of non-controlling shares | - | - | - | - | (0.2) | - | - | (0.2) | 0.1 | (0.1) |
| Purchase of own shares in Employee Benefit Trust | - | - | - | - | - | - | (0.4) | (0.4) | - | (0.4) |
| Balance at 30 June 2018 (Unaudited) | 2.4 | 22.4 | 0.9 | 4.8 | (7.7) | (0.7) | 20.6 | 42.7 | 7.1 | 49.8 |
| Balance at 31 December 2017 | 2.4 | 22.4 | 0.9 | 5.0 | (7.5) | (0.7) | 19.6 | 42.1 | 6.8 | 48.9 |
| Profit for the year | - | - | - | - | - | - | 4.6 | 4.6 | 1.2 | 5.8 |
| Exchange differences on translation of foreign operations | - | - | - | 0.8 | - | - | - | 0.8 | (0.1) | 0.7 |
| Total comprehensive income for the year | - | - | - | 0.8 | - | - | 4.6 | 5.4 | 1.1 | 6.5 |
| Dividend paid to owners of Empresaria Group plc | - | - | - | - | - | - | (0.6) | (0.6) | - | (0.6) |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | (0.4) | (0.4) |
| Acquisition of non-controlling shares | - | - | - | - | (0.2) | - | - | (0.2) | 0.2 | - |
| Purchase of own shares in Employee Benefit Trust | - | - | - | - | - | - | (0.4) | (0.4) | - | (0.4) |
| Business combination | - | - | - | - | - | - | - | - | 0.6 | 0.6 |
| Balance at 31 December 2018 | 2.4 | 22.4 | 0.9 | 5.8 | (7.7) | (0.7) | 23.2 | 46.3 | 8.3 | 54.6 |
| Profit for the period | - | - | - | - | - | - | 0.7 | 0.7 | 0.6 | 1.3 |
| Exchange differences on translation of foreign operations | - | - | - | 0.4 | - | (0.1) | - | 0.3 | - | 0.3 |
| Total comprehensive income for the period | - | - | - | 0.4 | - | (0.1) | 0.7 | 1.0 | 0.6 | 1.6 |
| Dividend paid to owners of Empresaria Group plc | - | - | - | - | - | - | (1.0) | (1.0) | - | (1.0) |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | (0.2) | (0.2) |
| Share-based payments | - | - | - | - | - | 0.2 | - | 0.2 | - | 0.2 |
| Balance at 30 June 2019 (Unaudited) | 2.4 | 22.4 | 0.9 | 6.2 | (7.7) | (0.6) | 22.9 | 46.5 | 8.7 | 55.2 |

Condensed consolidated cash flow statement
Six months ended 30 June 2019

| | 6 months to 30 June 2019 Unaudited £m | 6 months to 30 June 2018 Unaudited £m | Year to 31 December 2018 £m |
|---|--|---|--------------------------------------|
| Profit for the period | 1.3 | 2.5 | 5.8 |
| Adjustments for: | | | |
| Depreciation and software amortisation | 3.7 | 0.4 | 1.0 |
| Amortisation of intangible assets identified in business combinations | 0.9 | 0.8 | 1.7 |
| Impairment of intangible assets | - | - | 0.3 |
| Share-based payments | 0.2 | - | - |
| Net finance costs | 0.6 | 0.3 | 0.9 |
| Taxation charge | 1.0 | 1.4 | 3.6 |
| | 7.7 | 5.4 | 13.3 |
| Increase in trade and other receivables | (0.8) | (2.1) | (2.2) |
| (Decrease)/increase in trade and other payables (including pilot bonds outflow of £4.1m (30 June 2018: £0.2m, 31 December 2018: £2.2m)) | (3.1) | 0.7 | (2.7) |
| Cash generated from operations | 3.8 | 4.0 | 8.4 |
| Interest paid | (0.6) | (0.4) | (1.0) |
| Income taxes paid | (3.2) | (1.8) | (2.9) |
| Net cash inflow from operating activities | - | 1.8 | 4.5 |
| Cash flows from investing activities | | | |
| Consideration for business acquisitions (net of cash acquired) | (0.2) | - | (1.7) |
| Consideration received for business disposals | - | - | 0.1 |
| Purchase of property, plant and equipment and software | (1.0) | (0.6) | (1.5) |
| Finance income | 0.1 | 0.1 | 0.2 |
| Net cash outflow from investing activities | (1.1) | (0.5) | (2.9) |
| Cash flows from financing activities | | | |
| (Decrease)/increase in overdrafts | (2.3) | 5.7 | 1.5 |
| Proceeds from bank loans | 4.0 | 1.0 | 4.0 |
| Repayment of bank loans | (0.2) | (5.2) | (6.4) |
| (Decrease)/increase in invoice financing | (0.6) | (0.2) | 0.1 |
| Payment of obligations under leases | (3.0) | - | - |
| Purchase of own shares in Employee Benefit Trust | - | (0.4) | (0.4) |
| Dividends paid to owners of Empresaria Group plc | (1.0) | (0.6) | (0.6) |
| Dividends paid to non-controlling interests | (0.2) | (0.2) | (0.4) |
| Net cash (outflow)/inflow from financing activities | (3.3) | 0.1 | (2.2) |
| Net (decrease)/increase in cash and cash equivalents | (4.4) | 1.4 | (0.6) |
| Effect of foreign exchange rate movement | 0.2 | (0.4) | 0.1 |
| Cash and cash equivalents at beginning of the period | 25.4 | 25.9 | 25.9 |
| Cash and cash equivalents at end of the period | 21.2 | 26.9 | 25.4 |
| Bank overdrafts at beginning of the period | (22.0) | (20.4) | (20.4) |
| Decrease/(increase in the period) | 2.3 | (5.7) | (1.5) |
| Effect of foreign exchange rate changes | - | - | (0.1) |
| Bank overdrafts at end of the period | (19.7) | (26.1) | (22.0) |
| Cash, cash equivalents and bank overdrafts at end of the period | 1.5 | 0.8 | 3.4 |

Notes to the interim financial statements

Six months ended 30 June 2019

1 Basis of preparation and general information

Empresaria Group plc is the Group's ultimate parent company. It is incorporated and domiciled in England and its registered office address is Old Church House, Sandy Lane, Crawley Down, Crawley, West Sussex, RH10 4HS, United Kingdom. Its shares are listed on AIM, a market of London Stock Exchange plc.

The condensed set of financial statements has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements with the exception of the adoption of IFRS 16 Leases (see below), which has been applied for the first time in presenting this condensed set of financial statements. The Group does not anticipate any further change in these accounting policies for the year ended 31 December 2019. While the financial figures included in this half-yearly report have been prepared in accordance with IFRSs applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

The information for the year ended 31 December 2018 has been derived from audited statutory accounts for the year ended 31 December 2018. The information for the year ended 31 December 2018 included herein does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The interim financial information for 2019 and 2018 has been neither audited nor reviewed.

Adoption of IFRS 16 Leases

The Group has adopted IFRS 16 for the first time in this condensed set of financial statements. The Group has opted to apply the transition approach which does not require the restatement of comparative information. 2018 figures have therefore not been restated and IFRS 16 has an impact from 1 January 2019. On 1 January 2019 the Group recognised right-of-use assets and corresponding and equal lease liabilities with no impact on the Group's net assets or equity. As a result of the adoption of IFRS 16, from 1 January 2019 the Group no longer records a rental expense within its operating costs but instead records a depreciation charge in respect of the right of use assets within operating costs, and an interest charge on the lease liabilities within its finance costs.

Going concern

The Group's activities are funded by a combination of long-term equity capital, revolving credit facilities, term loans, short-term invoice financing and bank overdraft facilities. The day to day operations are funded by cash generated from trading, invoice financing and overdraft facilities. The Board has reviewed the Group's profit and cash flow projections and applied sensitivities to the underlying assumptions. These projections suggest that the Group will meet its obligations as they fall due with the use of existing facilities.

The majority of the Group's overdraft facilities fall due for renewal at the end of January each year and, based on informal discussions the Board has had with its lenders, has no reason to believe that these facilities will not continue to be available to the Group for the foreseeable future. As a result, the going concern basis continues to be appropriate in preparing the financial statements.

2 Accounting estimates and 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 amount of income, expense, assets and liabilities. The significant estimates and judgements made by management were consistent with those applied to the consolidated financial statements for the year ended 31 December 2018, with the exception of IFRS 16 which has been applied for the first time in 2019. Under IFRS 16 the key area of judgement is lease length, including whether or not break clauses are expected to be exercised, and the identification of the appropriate discount rate.

Notes to the interim financial statements

Six months ended 30 June 2019

3 Segment analysis

During the period the Group has reviewed and revised its segmental reporting. Information reported to the Group's Executive Committee, considered to be the chief operating decision maker of the Group for the purpose of resource allocation and assessment of segment performance is now based on sectors. The Group's business is segmented into five sectors: Professional, IT, Engineering, Commercial and Offshore Recruitment Services.

The Group has one principal activity, the provision of staffing and recruitment services. Each unit is managed separately with local management responsible for implementing local strategy.

The analysis of the Group's business by sector is set out below:

Six months to 30 June 2019

| | Revenue | Net fee income | Adjusted operating profit/(loss) |
|-------------------------------|--------------|-------------------|--|
| | £m | £m | £m |
| Professional | 68.3 | 15.6 | 2.0 |
| IT | 21.4 | 6.8 | 1.3 |
| Engineering | 12.2 | 2.2 | (0.4) |
| Commercial | 68.4 | 9.1 | 1.9 |
| Offshore Recruitment Services | 5.4 | 2.8 | 1.4 |
| Central costs | - | - | (1.9) |
| Intragroup eliminations | (0.2) | (0.2) | - |
| Total | 175.5 | 36.3 | 4.3 |

Six months to 30 June 2018

| | Revenue | Net fee income | Adjusted operating profit/(loss) |
|-------------------------------|--------------|-------------------|--|
| | £m | £m | £m |
| Professional | 77.0 | 14.4 | 2.0 |
| IT | 21.6 | 6.5 | 1.5 |
| Engineering | 14.9 | 2.6 | 0.1 |
| Commercial | 61.9 | 8.9 | 2.2 |
| Offshore Recruitment Services | 3.1 | 1.8 | 0.7 |
| Central costs | - | - | (1.5) |
| Intragroup eliminations | (0.2) | (0.2) | - |
| Total | 178.3 | 34.0 | 5.0 |

Year ended 31 December 2018

| | Revenue | Net fee income | Adjusted operating profit/(loss) |
|-------------------------------|--------------|-------------------|--|
| | £m | £m | £m |
| Professional | 154.0 | 30.7 | 5.4 |
| IT | 44.0 | 13.6 | 3.2 |
| Engineering | 29.3 | 4.9 | (0.1) |
| Commercial | 132.8 | 19.2 | 5.6 |
| Offshore Recruitment Services | 7.1 | 4.3 | 1.9 |
| Central costs | - | - | (3.7) |
| Intragroup eliminations | (0.4) | (0.4) | - |
| Total | 366.8 | 72.3 | 12.3 |

Notes to the interim financial statements

Six months ended 30 June 2019

4 Finance income and costs

| | 6 months to 30 June 2019 Unaudited £m | 6 months to 30 June 2018 Unaudited £m | Year to 31 December 2018 £m |
|-------------------------------|--|---|--------------------------------------|
| Finance income | | | |
| Bank interest receivable | <u>0.1</u> | 0.1 | 0.2 |
| | 0.1 | 0.1 | 0.2 |
| Finance costs | | | |
| Invoice financing | (0.1) | (0.1) | (0.2) |
| Bank loans and overdrafts | (0.3) | (0.3) | (0.7) |
| Interest on lease obligations | (0.2) | - | - |
| Interest on tax liabilities | (0.1) | - | (0.2) |
| | <u>(0.7)</u> | (0.4) | (1.1) |
| Net finance costs | (0.6) | (0.3) | (0.9) |

5 Reconciliation of profit before tax to adjusted profit before tax

| | 6 months to 30 June 2019 Unaudited £m | 6 months to 30 June 2018 Unaudited £m | Year to 31 December 2018 £m |
|---|--|---|--------------------------------------|
| Profit before tax | 2.3 | 3.9 | 9.4 |
| Exceptional items | 0.5 | - | 0.3 |
| Amortisation of intangible assets identified in business combinations | 0.9 | 0.8 | 1.7 |
| Adjusted profit before tax | 3.7 | 4.7 | 11.4 |

6 Taxation

The tax charge for the six month period is £1.0m (6 months ended 30 June 2018: £1.4m, year ended 31 December 2018: £3.6m), representing an effective tax rate of 43% (6 months ended 30 June 2018: 37%). On an adjusted basis (excluding adjusting items as set out in note 5 and their tax effect), the effective tax rate is 36% (6 months ended 30 June 2018: 34%). The tax charge for the period is assessed using the best estimate of the effective tax rates expected to be applicable for the full year, applied to the pre-tax income of the six month period.

Notes to the interim financial statements

Six months ended 30 June 2019

7 Earnings per share

Basic earnings per share is assessed by dividing the earnings attributable to the owners of Empresaria Group plc by the weighted average number of shares in issue during the year. Diluted earnings per share is calculated as for basic earnings per share but adjusting the weighted average number of shares for the diluting impact of shares that could potentially be issued. For 2019 and 2018 these are all related to share options. Reconciliations between basic and diluted measures are given below.

The Group also presents adjusted earnings per share which it considers to be a key measure of the Group's performance. A reconciliation of earnings to adjusted earnings is provided below.

| | 6 months to 30 June 2019 Unaudited £m | 6 months to 30 June 2018 Unaudited £m | Year to 31 December 2018 £m |
|---|--|---|--------------------------------------|
| Earnings | | | |
| Earnings attributable to owners of Empresaria Group plc | 0.7 | 2.0 | 4.6 |
| Adjustments: | | | |
| Exceptional items | 0.5 | - | 0.3 |
| Amortisation of intangible assets identified in business combinations | 0.9 | 0.8 | 1.7 |
| Tax on the above | (0.3) | (0.1) | (0.3) |
| Non-controlling interests in respect of the above | (0.1) | (0.1) | (0.1) |
| Earnings for the purpose of adjusted earnings per share | 1.7 | 2.6 | 6.2 |
| Number of shares | Millions | Millions | Millions |
| Weighted average number of shares - basic | 50.4 | 50.7 | 50.6 |
| Dilution effect of share options | 0.7 | 0.4 | 0.4 |
| Weighted average number of shares - diluted | 51.1 | 51.1 | 51.0 |
| Earnings per share | Pence | Pence | Pence |
| Basic | 1.4 | 3.8 | 9.2 |
| Dilution effect of share options | - | - | (0.1) |
| Diluted | 1.4 | 3.8 | 9.1 |
| Adjusted earnings per share | Pence | Pence | Pence |
| Basic | 3.4 | 5.0 | 12.2 |
| Dilution effect of share options | (0.1) | - | (0.1) |
| Diluted | 3.3 | 5.0 | 12.1 |

The weighted average number of shares (basic) has been calculated as the weighted average number of shares in issue during the year plus the number of share options already vested less the weighted average number of shares held by the Empresaria Employee Benefit Trust. The Trustees have waived their rights to dividends on the shares held by the Empresaria Employee Benefit Trust.

Notes to the interim financial statements

Six months ended 30 June 2019

8 Borrowings

| | 30 June 2019 Unaudited £m | 30 June 2018 Unaudited £m | 31 December 2018 £m |
|-------------------------|--|------------------------------------|---------------------------|
| Current | | | |
| Bank overdrafts | 19.7 | 26.1 | 22.0 |
| Invoice financing | 9.1 | 9.4 | 9.7 |
| Bank loans | 0.1 | 1.4 | 0.3 |
| | 28.9 | 36.9 | 32.0 |
| Non-current | | | |
| Bank loans | 9.2 | 2.2 | 5.2 |
| | 9.2 | 2.2 | 5.2 |
| Total Borrowings | 38.1 | 39.1 | 37.2 |

The following key bank facilities are in place at 30 June 2019:

A revolving credit facility of £10.0 million, expiring in June 2021. As at 30 June 2019 the amount outstanding is £9.0 million (30 June 2018: £2.0 million). Interest is payable at 1.5% plus LIBOR or EURIBOR. In July 2019, £4.0m of a potential £5.0m extension to the revolving credit facility was activated, increasing the revolving facility to £14.0m.

Overdraft facilities are in place in the UK with a limit of £7.5m. The balance on this facility as at 30 June 2019 was £5.1m (30 June 2018: £4.4m). The interest rate was fixed at 1% above applicable currency base rates. A \$2.0m overdraft facility to provide working capital funding to Pharmaceutical Strategies had a balance as at 30 June 2019 of \$1.0m (30 June 2018: \$0.5m). Interest on this USD facility is payable at 2% over LIBOR. A €13m overdraft facility is also in place in Germany. The balance at 30 June 2019 was €8.5m (30 June 2018: €10.3m) and interest is payable at EURIBOR plus 2.3%. A NZ\$2.0m overdraft facility has been set up for Rishworth Aviation in New Zealand during 2019. The overdraft has not been utilised and attracts interest at 2% over the base lending rate.

The UK facilities are secured by a first fixed charge over all book and other debts given by the Company and certain of its UK subsidiaries, Headway in Germany and Rishworth Aviation in New Zealand.

There is an invoice financing facility in the UK of £13.0m (2018: £13.0m). As at 30 June 2019 the amount outstanding was £8.8m (30 June 2018: £8.2m). Interest is payable at 1.47% over UK base rate. There are also invoice financing facilities in Chile of £2.6m (30 June 2018: £1.9m). As at 30 June 2019 the amount outstanding was £0.4m (30 June 2018: £1.3m). Interest is payable at approximately 6%.

Notes to the interim financial statements

Six months ended 30 June 2019

9 Adjusted net debt

| | 30 June 2019 Unaudited £m | 30 June 2018 Unaudited £m | 31 December 2018 £m |
|--|--|------------------------------------|---------------------------|
| a) Adjusted net debt | | | |
| Cash and cash equivalents | 21.2 | 26.9 | 25.4 |
| Less cash held in respect of pilot bonds | (1.2) | (7.3) | (5.3) |
| Adjusted cash | 20.0 | 19.6 | 20.1 |
| Borrowings (see note 8) | (38.1) | (39.1) | (37.2) |
| Adjusted net debt | (18.1) | (19.5) | (17.1) |

The Group presents adjusted net debt as its principle debt measure. Adjusted net debt excludes cash held in respect of pilot bonds within the Rishworth Aviation business. Where required by the client, pilot bonds are taken at the start of the pilot's contract and are repayable to the pilot or the client during the course of the contract or if it ends early. There is no legal restriction over this cash, but given the requirement to repay it over a three year period, and that to hold these is a client requirement, cash equal to the amount of the bonds is excluded in calculating adjusted net debt.

At the start of 2019 a major client confirmed that they would no longer require bonds to be held and as a result these bonds have been repaid during the period. This does not impact the Group's adjusted cash or adjusted net debt measures.

| | 6 months to 30 June 2019 Unaudited £m | 6 months to 30 June 2018 Unaudited £m | Year to 31 December 2018 £m |
|---|--|---|--------------------------------------|
| b) Movement in adjusted net debt | | | |
| As at 1 January | (17.1) | (19.5) | (19.5) |
| Net (decrease)/increase in cash and cash equivalents per consolidated cash flow statement | (4.4) | 1.4 | (0.6) |
| Borrowings in business acquired | - | - | (0.2) |
| (Increase)/decrease in overdrafts and loans | (1.5) | (1.5) | 0.9 |
| Decrease/(increase) in invoice financing | 0.6 | 0.2 | (0.1) |
| Foreign exchange movement | 0.2 | (0.3) | 0.2 |
| Adjusted for decrease in cash held in respect of pilot bonds | 4.1 | 0.2 | 2.2 |
| | (18.1) | (19.5) | (17.1) |

Notes to the interim financial statements
Six months ended 30 June 2019

10 Trade and other receivables

| | 30 June 2019 | 30 June 2018 | 31 December 2018 |
|--|-------------------------|-----------------|---------------------|
| | Unaudited | Unaudited | |
| | £m | £m | £m |
| Gross receivables | 48.7 | 44.8 | 49.2 |
| Less provision for impairment of trade receivables | (0.6) | (0.3) | (1.1) |
| Trade receivables | 48.1 | 44.5 | 48.1 |
| Prepayments | 2.4 | 2.1 | 1.9 |
| Accrued income | 3.5 | 2.7 | 3.3 |
| Corporation tax receivable | 1.3 | 1.7 | 1.2 |
| Other receivables | 3.2 | 3.9 | 2.8 |
| | 58.5 | 54.9 | 57.3 |

11 Trade and other payables

| | 30 June 2019 | 30 June 2018 | 31 December 2018 |
|------------------------------------|-------------------------|-----------------|---------------------|
| | Unaudited | Unaudited | |
| | £m | £m | £m |
| Current | | | |
| Trade payables | 2.2 | 2.1 | 2.2 |
| Other tax and social security | 7.6 | 8.1 | 8.1 |
| Pilot bonds | 1.2 | 7.3 | 5.3 |
| Client deposits | 0.9 | 0.9 | 0.9 |
| Temporary recruitment worker wages | 4.3 | 4.0 | 3.9 |
| Other payables | 1.4 | 2.2 | 1.9 |
| Accruals | 21.5 | 17.7 | 19.4 |
| Deferred consideration | - | - | 0.2 |
| | 39.1 | 42.3 | 41.9 |

Pilot bonds represent unrestricted funds held by Rishworth Aviation at the request of clients that are repayable to the pilot over the course of a contract, typically between three and five years. If the pilot terminates their contract early, the outstanding bond is payable to the client. For this reason the bonds are shown as a current liability.