28 September 2021

Likewise Group plc

("Likewise" or the "Group")

Interim results for the six months ended 30 June 2021

Strong growth delivered and profitability achieved

Likewise Group plc (AIM:LIKE), the fast growing UK floor coverings distributor, is pleased to announce its unaudited interim results for the six months ended 30 June 2021.

H1 2021 Summary Highlights

- Strong Increase in Sales and Margin
- Profitability Achieved
- Investment in Working Capital to Support Future Growth
- Significant Increase in Operational Capacity
- Board Strengthened with Appointment of Mike Steventon
- Intend to Declare Maiden Dividend in 2022[1] for the financial year ended 31 December 2021
- Huge Opportunities for Organic Growth

[1] subject to complying with legal requirements.

Financial Highlights

- Revenue increased 52.2% to £28.0m (H1 2020: £18.4m)
- Gross Profit Margin improved to 29.4% (H1 2020: 22.6%)
- Improvements in Operating Margin at 2.5% (H1 2020: (0.1)%)
- Underlying business cash generative, however continued investment in working capital £(0.4)m (H1 2020:£2.0m)
- Adjusted Operating Profit[1] increased to £0.7m (H1 2020: £(1.7)m)

	H1 2021	**H1 2020**	*Change (21 - 20)*
	£m	£m	*£m*
Revenue	**28.0**	18.4	*9.6*
Gross profit	**8.2**	4.2	*4.0*
Adjusted EBITDA[1,2]	**1.4**	(1.0)	*2.4*
Adjusted operating profit[1]	**0.7**	(1.7)	*2.4*
Profit before tax	**0.3**	(2.4)	*2.7*
Profit after tax	**0.3**	(2.4)	*2.7*
Net debt[3]	**1.2**	0.2	*1.0*
Net cash generated from operating activities	**(0.4)**	2.0	*(2.4)*
Basic earnings per share (pence)	**0.20**	(1.60)	*1.80*
Diluted earnings per share (pence)	**0.20**	(1.50)	*1.70*
Total dividend per share (pence)	**N/A**	N/A	*N/A*

1. *Adjusted results exclude exceptional items, which include share based payment transactions, acquisition costs, amortisation of acquisition intangibles and strategic project costs. Adjusted results are non-GAAP metrics used by management and are not an IFRS disclosure. Details of these charges can be seen in note 5 in the accounts below.*
2. *EBITDA, which is defined as earnings before finance costs, tax, depreciation (including IFRS 16 right-of-use depreciation) and amortisation, is a non-GAAP metric used by management and is not an IFRS disclosure.*
3. *Net debt excludes the impact of IFRS 16 lease liabilities. Details can be seen in note 12 in the accounts below.*

Operational Highlights

Combined with support from our suppliers, this performance is a result of the relationship our excellent Operational Management and Sales Representatives have with flooring retailers and contractors. They are supported by employees developing their skills and a reflection of their commitment to Likewise is that 175 of our 247 employees have joined the Share Save Schemes that have been launched over the last three years.

Likewise Scotland and Likewise North East have grown rapidly in their respective geographical areas. Likewise North has performed particularly well from their Distribution Centre in Leeds which is also the Hub for Likewise Residential Products Nationally.

A&A in Manchester has continued to trade strongly and has extended its Geographical reach from the North West of England to now include parts of the Midlands. Our plan is to continue this expansion and negotiations are underway to move A&A to a new Distribution Centre close to their current location.

Likewise Midlands is establishing a presence and with the Birmingham Distribution Centre operational by the end of 2021 we expect a meaningful business to develop in 2022.

Lewis Abbott has performed well and the Floors by Lewis Abbott Premium Carpet Brand was launched throughout the Likewise businesses at last week’s National Floorcovering Exhibition in Harrogate.

Likewise South East continue to enlarge their market position and also provides a logistics service for all Likewise businesses in the South East of England.

H&V Carpets, operating through most of the UK has traded positively and has many opportunities in both flooring product development and geographical reach. We are also advancing plans to provide product and logistics into Western Europe from the Distribution Centre in Meulebeke Belgium.

Likewise Matting and Rugs has strengthened its business in both the independent and multiple retailers. The continual improvement in product, design and marketing provides an extremely positive future. Also Marquee Floors has had a good year given the return of the hospitality industry. With the positive development of these businesses and Likewise South East we have applied for Planning Permission to extend the Freehold Distribution Centre in Sudbury.

Likewise will continue to increase market presence through product launches and placing an increasing number of point of sale displays into independent flooring retailers and also providing a comprehensive product offering for flooring contractors.

The Group has continued to enhance the IT infrastructure and Logistics Network. Both the Business-to-Business Website and Paperless Delivery Device will be live during the Autumn 2021.

Board Appointment

The appointment of Mike Steventon as a new Non-Executive Director further strengthens the Board and the guidance of the Senior Team to fulfil the aspirations to build a significant Flooring Distribution Business.

Awards

A further indication of the relationship that Likewise has with the flooring marketplace is that after such a short time in its development, Likewise has been voted Distributor of the Year by Flooring Retailers in the Interiors Monthly trade journal. We would like to thank all our customers for their support over the last three years.

Strategy

Whilst Likewise is very focused on organic growth through the current structure plus additional geographical locations and ongoing recruitment of experienced Sales Representatives, acquisitions will be considered where they bring a genuine strategic benefit to the Group.

Full Year Outlook

The traditionally busy Autumn trading period is important in the floor coverings industry and with the development over the last eighteen months, Likewise is confident of capitalising on these opportunities to further strengthen our market position in 2022 and beyond.

Given the consistent profitability and positive cash flow, the Group intends, subject to complying with legal requirements, to pay a maiden dividend in 2022 based on the performance in 2021.

Tony Brewer, Chief Executive of Likewise Group plc, said:

“Likewise has developed really well over the last fifteen months. We have now established a meaningful business in the UK flooring market and with our excellent operational management and staff have a very exciting future ahead.

“The Board would like to thank all of our Management and Employees for their contribution to the development of Likewise and also thank all of our advisors for the successful IPO onto AIM recently.”

For further information, please contact:

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Tony Brewer, Chief Executive

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Fergus Young / Tim Robertson

ABOUT LIKEWISE GROUP PLC

Likewise is a UK distributor of both domestic, commercial floorcovering matting and rugs. It is challenging the established competitors in the industry by providing access to a wide choice of flooring from multiple manufacturers across the globe at competitive prices for its customers.

Currently, the Group has a presence in the majority of the UK through seven distribution facilities as well as one in Belgium. It supplies over 2,600 customers and the Group currently has c.250 employees.

Likewise is listed on the AIM Market of the London Stock Exchange (AIM: LIKE).

For further information please visit: www.likewiseplc.com

CAUTIONARY STATEMENT

Certain statements included or incorporated by reference within this announcement may constitute "forward-looking statements" in respect of the Group's operations, performance, prospects and/or financial condition. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words and words of similar meaning as "anticipates", "aims", "due", "could", "may", "will", "should", "expects", "believes", "intends", "plans", "potential", "targets", "goal" or "estimates". By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions and actual results or events may differ materially from those expressed or implied by those statements. Accordingly, no assurance can be given that any particular expectation will be met and reliance should not be placed on any forward-looking statement. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No responsibility or obligation is accepted to update or revise any forward-looking statement resulting from new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast. This announcement does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase any shares or other securities in the Group, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or commitment or investment decisions relating thereto, nor does it constitute a recommendation regarding the shares or other securities of the Group. Past performance cannot be relied upon as a guide to future performance and persons needing advice should consult an independent financial adviser. Statements in this announcement reflect the knowledge and information available at the time of its preparation.

CHIEF FINANCIAL OFFICER'S REPORT

Current Trading, Update and Outlook

The commencement of 2021 continued with further COVID-19 lockdown restrictions announced on 4th January. Whilst not the best circumstances to commence trading, the Group's sales remained buoyant with the continuation of retailers and flooring contractors servicing demand for essential services throughout this period. With January and February being seasonally lower trading months and the difficult trading conditions presented by the lockdown restrictions, the Board were pleased with the performance of the Group which still delivered results ahead of budget.

With the uplift in market activity in Spring 2021 and the lifting of lockdown restrictions on 12th April, the Groupcontinued to outperform management's expectations delivering consistent profitability throughout the March to June period due to pent-up demand and management's focus on delivering organic growth in all regions.

Distribution

Our new distribution hub in Leeds was operational in Q1 2021. This facility continues to deliver improved material handling capabilities and an improved logistics network with which to support the wider Likewise Group. This has provided a foundation for the residential network with overnight trunking operations established to Regional Logistics Centre's in Glasgow, Newcastle, and Peckham and the National Distribution Centre in Sudbury. The Group's logistics capabilities were also improved with the closure of a small leasehold premises in Daventry which was relocated to our much larger National Distribution Centre in Sudbury. This provides an improved delivery service to our customers in the South East of England.

Likewise

All of the Likewise businesses established in 2019; Scotland, North East, North and South East are profitable and performing well ahead of our original expectations, despite the uncertain market conditions presented by the ongoing pandemic. The Group has employed further Sales Management and Representatives to support these businesses in delivering further organic growth through the establishment of new customer relationships and increase to our geographical presence in these regions.

A&A

A&A continues to perform extremely well and improvements to its product and service offering has increasedits market presence in the residential sector, whilst also improving its logistics capabilities in the region through investments to the fleet. To facilitate further growth, investments have also been made in additional sales resource to facilitate further market growth in new territories. As the business goes from strength-to-strength, the Board are currently reviewing opportunities in the North West to establish a larger distribution centre in the region to facilitate further growth.

Likewise Matting

Likewise Matting has similarly performed well ahead of initial expectations delivering a profitable result through to June 2021. Whilst sales of Marquee Flooring was significantly impacted during 2020, the Board arepleased to note a resurgence in sales activity following the widespread re-opening of the hospitality sector which is expected to drive further profitability in H2 2021.

Likewise Midlands

In line with the Group's strategy, Likewise Midlands has recently been established with the Group signing a new lease for a 57,000 sq. ft Distribution Centre on Birmingham Business Park. This will accelerate further growthin both the Midlands and South West, whilst also providing enhanced logistics capabilities for other Group businesses trading in the region. This will help increase the stock availability for the Group whilst also improving the Group's next day delivery service offering through the Distribution Hubs and Regional Centres. The Group has managed to attract excellent Management, Sales Representatives and Staff with which to service these new regions which should start to deliver benefits in H2 2021 with further growth expected as the business is established into 2022 and beyond.

Outlook

The Board are particularly pleased with the development of the Likewise trade brand which is becoming an established player within the floorcoverings market throughout the UK. This is largely as a result of the quality relationships we have been able to build with customers and suppliers alike, largely as a result of the excellent knowledge and experience of our people and the improved service offering we can provide through the progressive growth of the logistics network. Throughout the ongoing period of uncertainty over the past 18 months, the Board have focussed on driving organic growth and whilst acquisition opportunities remain integral to the long-term strategy of the business the results demonstrate the importance of continued investment in organic growth and the success of our business model. The Board remain open to acquisitions and will continue to appraise potential opportunities as they arise and where they are deemed to complement the Group's offering whilst delivering shareholder value.

AIM IPO

In line with our long-term strategy, and to facilitate our growth aspirations, the Group listed on the AIM Market of the London Stock Exchange on the 18th August 2021 raising £10m in gross proceeds with which to fund furthergrowth as we enhance our position as a market leading provider of floor coverings. The funding received willhelp facilitate our organic growth through capital investments in additional distribution centres, part fund potential earnings enhancing acquisitions whilst also increasing the Group's public profile and the liquidity ofits shares.

Interim Consolidated Statement of Comprehensive Income (Unaudited)

	Notes	6 month period ended 30 June 2021 £	*As restated* 6 month period ended 30 June 2020 £
Revenue	3	28,036,144	18,374,082
Cost of sales		(19,791,088)	(14,215,212)
Gross profit		8,245,056	4,158,870
Other operating income	4	179,850	750,397
Administrative expenses		(4,606,594)	(4,384,386)
Distribution costs		(3,348,499)	(2,445,354)
Impairment losses on trade receivables		(7,872)	(64,167)
Profit/(loss) from operations	5	461,941	(1,984,640)
Finance costs		(159,264)	(80,942)
Loss on revaluation of consideration on acquisition		-	(338,440)
Profit/(loss) before tax		302,677	(2,404,022)
Taxation	6	-	-
Profit/(loss) for the financial period		302,677	(2,404,022)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Revaluation of land and buildings		33,628	31,878
Items that will or may be reclassified to profit or loss:			
Exchange gains arising on translation on foreign operations		41,109	-
Total comprehensive income for the financial period		377,414	(2,372,144)
		Pence per share	Pence per share
Earnings per share			
Basic profit per share	7	0.20	(1.60)
Diluted profit per share	7	0.20	(1.50)

Interim Consolidated Statement of Financial Position (Unaudited)

	Notes	30 June 2021 £	31 December 2020 £

Assets			
Non-current assets			
Goodwill	9	4,216,728	4,216,728
Other intangible assets	10	3,664,711	3,808,425
Property, plant and equipment	11	6,155,016	5,983,797
Right-of-use assets	11	10,128,768	5,272,802
		24,165,223	19,281,752
Current assets			
Inventories		9,190,649	7,555,806
Trade and other receivables		9,529,397	7,466,158
Cash and cash equivalents		2,262,131	2,820,895
		20,982,177	17,842,859
Total assets		45,147,400	37,124,611
Liabilities			
Non-current liabilities			
Loans and borrowings	12	(1,710,833)	(1,779,668)
Lease liabilities	12	(9,369,376)	(4,969,987)
Deferred tax liability		(700,484)	(700,484)
		(11,780,693)	(7,450,139)
Current liabilities			
Trade and other liabilities		(17,580,418)	(15,479,985)
Loans and borrowings	12	(1,774,240)	(1,192,212)
Lease liabilities	12	(1,755,348)	(1,032,354)
Provisions	13	(240,578)	(382,722)
		(21,350,584)	(18,087,273)
Total liabilities		(33,131,277)	(25,537,412)
Net assets		12,016,123	11,587,199
Equity			
Share capital	14	1,523,742	1,523,420
Share premium	14	13,392,193	13,389,295
Warrant reserve		128,170	128,170
Share option reserve	15	207,856	159,566
Revaluation reserve		1,127,521	1,094,771
Foreign exchange reserve		1,706	(39,403)
Retained earnings		(4,365,065)	(4,668,620)
Total equity		12,016,123	11,587,199

Interim Consolidated Statements of Changes in Equity (Unaudited)

30 June 2021

	Share capital £	Share premium account £	Revaluation reserve £	Retained earnings £
Consolidated				
Balance at 1 January 2021	1,523,420	13,389,295	1,094,771	(4,668,620)
Profit for the period	-	-	33,628	302,677
Issue of share capital	322	2,898	-	-
Movement of depreciation over historic cost	-	-	(878)	878
FX on subsidiary	-	-	-	-
Share options recognised	-	-	-	-
Balance at 30 June 2021	1,523,742	13,392,193	1,127,521	(4,365,065)

	Share option reserve £	Warrant reserve £	Foreign exchange reserve £	Total £
Consolidated				
Balance at 1 January 2021	159,566	128,170	(39,403)	11,587,199
Profit for the period	-	-	-	336,305
Issue of share capital	-	-	-	3,220
Movement of depreciation over historic cost	-	-	41,109	41,109
FX on subsidiary	-	-	-	-
Share options recognised	48,290	-	- -	48,290
Balance at 30 June 2021	207,856	128,170	1,706	12,016,123

Interim Consolidated Statements of Changes in Equity (Unaudited)

30 June 2020

	Share capital £	Share premium account £	Revaluation reserve £	Retained earnings £
Consolidated				
Balance at 1 January 2020	1,523,420	13,389,295	871,514	(1,592,446)
Loss for the period	-	-	31,878	(2,404,022)
Impact of IFRS16 on acquired subsidiaries	-	-	-	(1,775)
Movement of depreciation over historic cost	-	-	(878)	878
FX on subsidiary	-	-	-	(31,394)
Share options recognised	-	-	-	-
Balance at 30 June 2020	1,523,420	13,389,295	902,514	(4,028,759)

	Share option reserve	Warrant reserve	Total
	£	£	£
Consolidated			
Balance at 1 January 2020	90,574	128,170	14,410,527
Loss for the period	-	-	(2,372,144)
Impact of IFRS16 on acquired subsidiaries	-	-	(1,775)
Movement of depreciation over historic cost	-	-	-
FX on subsidiary	-	-	(31,394)
Share options recognised	74,541	-	74,541
Balance at 30 June 2020	165,115	128,170	12,079,755

Interim Consolidated Statements of Cash Flows (Unaudited)

30 June 2021

	Consolidated	
	6 month period ended 30 June 2021	6 month period ended 30 June 2020
	£	£
Cash flows from operating activities		
Profit/(loss) for the period	302,677	(2,404,022)
Adjustments for:		
Depreciation and amortisation	874,463	929,665
Revaluation of consideration	-	338,440
Finance costs	159,264	80,942
Decrease in provisions	(142,144)	-
Net foreign exchange loss/(gain)	41,109	(31,394)
	1,235,369	(1,086,369)
Movements in working capital:		
Decrease/(increase) in inventories	(1,634,843)	1,675,873
(Increase)/decrease in trade and other receivables	(2,063,238)	247,053
(Decrease)/increase in trade and other payables	2,132,654	1,123,559
Cash flows from operations	(330,058)	1,960,116
Income tax paid	(32,222)	-
Net cash from/ (used in) operating activities	(362,280)	1,960,116
Cash flow from investing activities		
Purchase of property, plant and equipment	(387,774)	(396,110)
Cash payments to acquire subsidiaries	-	(754,812)
Net cash used in investing activities	(387,774)	(1,150,922)

Cash flows from financing activities		
Interest paid	(159,264)	(80,942)
Consideration for new shares	3,220	-
Share options issued	48,290	74,541
Increase in invoice discounting	544,342	868,902
Repayment of lease liabilities	(214,149)	(414,271)
Repayment of loans	(31,149)	-
Net cash (used in)/from financing activities	191,290	448,230
Net increase in cash and cash equivalents	(558,764)	1,257,424
Cash and cash equivalents at the beginning of financial year/period	2,820,895	618,375
Cash and cash equivalents at end of financial year/period	2,262,131	1,875,799
Comprising		
Cash at bank	2,262,131	1,875,799
Bank overdrafts	-	-
	2,262,131	1,875,799

Notes to the financial statements

Period ended 30 June 2021

1. General information

The Company is a public company limited by shares, registered in England and Wales. Following the year end, on 18 August 2021, Likewise Group Plc delisted from The International Stock Exchange (TISE) and listed on the Alternative Investment Market (AIM). The registered company number is 08010067 and the address of the registered office is Unit 4 Radial Park, Solihull Parkway, Birmingham Business Park, Solihull, England, B37 7YN.

The principal activity of the Group is the wholesale distribution of floorcoverings and associated products.

2. Accounting Policies

Basis of Preparation

The condensed and consolidated interim financial statements for the period from 1 January 2021 to 30 June 2021 have been prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting as adopted by the European Union and on the going concern basis. They are in accordance with the accounting policies set out in the statutory accounts for the year ended 31 December 2020 and those expected to be applied for the year ended 31 December 2021 unless otherwise stated below.

The comparatives shown are for the period 1 January 2020 to 30 June 2020, and 31 December 2020 and do not constitute statutory accounts, as defined in section 435 of the Companies Act 2006, but are based on the statutory financial statements for the year ended 31 December 2020.

A copy of the Company's statutory accounts for the year ended 31 December 2020 has been delivered to the Registrar of Companies and the accounts are available to download from the Company website at www.likewiseplc.com/documents-reports-and-presentations.

The financial information is presented in pounds sterling, which is the functional currency of the entity and rounded to the nearest £. The financial statements are prepared on the historical cost basis unless otherwise specified within these accounting policies.

Restatement of prior period

Management have corrected the classification under IFRS 15 of expense categories and have determined that certain items in the prior year should be reclassified between administrative and distribution expenses accordingly.

The impact of this is to:
increase distribution costs by £2,106,908 from £338,446 to £2,445,354;
decrease administrative expenses by £2,106,908 from £6,555,461 to £4,448,553.

There have been no amendments to the prior year Consolidated Statement of Financial Position as a result of these reclassifications.

Going concern

Whilst there still remains a level of uncertainty regarding the long-term economic impacts of the COVID-19 pandemic, the alleviation of social distancing measures and the lifting of lockdown restrictions on 12 April 2021 have benefitted the business as can be seen from the results outlined further within these interim financial statements.

Whilst the business was undoubtedly adversely impacted during the COVID-19 pandemic in 2020, the Group benefitted from the continuation of essential services within the construction sector as well as demand from flooring contractors and retailers that were permitted to continue to provide in-home services to consumers at the latter part of 2020 and into 2021. Furthermore, the growing demand in the home improvement market provided further opportunities for growth which insulated the Group from more severe impacts experienced by other industries.

As can be seen from the financial statements, the Group has proved resilient and has recovered well from the onset of the COVID-19 pandemic providing a profitable result up to 30 June 2021 despite the difficult trading conditions experienced at the beginning of the period. The Group has performed well ahead of budgeted expectations for 2021 with the Board confident this will continue in H2 2021.

Furthermore, on 18 August 2021, Likewise Group Plc listed on the AIM market of the London Stock Exchange raising £10m gross proceeds with which to fund further growth.

From review of the Group's current forecasts, the continuing positive cash generation of the business as well as funds secured on the recent listing of the Group, the Directors believe the Group have adequate resources to continue to trade for the foreseeable future and as such have adopted the going concern basis of accounting in preparing the interim financial statements.

Financial assets

Trade and other receivables are recorded initially at transaction price and subsequently measured at amortised cost. This results in their recognition at nominal value less an allowance for any doubtful debts. This allowance for expected credit losses (ECL) may be established where evidence of credit deterioration is observed. In order to assess credit deterioration, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on its historical experience and informed credit assessment, that includes forward-looking information. An additional reserve is established, where required, when a loss is both probable and the amount is known.

ECLs are a probability-weighted estimate of lifetime credit losses. Under the ECL model, the Group calculates the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that Group expects to receive) with a discount factor applied to such overdue amounts.

The discount matrix (“ECL Matrix”) below was applied to derive an ECL for overdue amounts at 31 December 2020:

Past due (days)	31-60	61-90	90-120	120-250	Over 250
Discount to Amounts Overdue	0%	0%	3%	33%	100%

During the previous period, the occurrence of the Coronavirus COVID-19 pandemic resulted in a change in the way the Group extended credit to customers. During the current period the matrix has reverted back to reflect pre-pandemic levels of credit. The Directors have therefore applied the following provisions at 30 June 2021.

Past due (days)	31-60	61-90	90-120	Over 120
Discount to Amounts Overdue	0%	0%	3%	50%

The Group reserves the right to exercise its discretion in the application of discounts outside of the ECL Matrix based on extenuating circumstances that may apply from time to time to the Group's trade receivables. An example of such an extenuating circumstance may occur when an overdue amount has been collected post a reporting or measurement date.

Government grants

Due to the global COVID-19 pandemic, the Group applied for government grants in the form of payments for furloughed employees. Included in other income is £179,850 of government grants obtained relating to supporting the payroll of the Group's employees. The Group has presented this government grant separately, rather than reducing the related expense. The Group had to commit to spending the assistance on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time. The Group does not have any unfulfilled obligations relating to this program.

New standards and amendments

There are no accounting standards pronouncements which have become effective from 1 January 2021 that have a significant impact on the Group's interim condensed consolidated financial statements.

Estimates

The preparation of the interim financial information 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 may differ from these estimates.

In preparing this condensed interim financial information, 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 applied to consolidated financial statements for the year ended 31 December 2020. These are impairment of trade receivables, accounting for defined benefit pension scheme, inventory valuation, valuation of land and buildings and going concern.

3. Segmental Reporting

For the purposes of segmental reporting, the company's Chief Operating Decision Maker (CODM) is considered to be the Executive Board of Directors. The Board has not identified any separate operating segments within the business. The Board reviews revenue and expenses for the business as a whole and makes decisions about resources and assesses performance based on this information.

Revenue is derived from continuing operations and arises entirely through the wholesale of goods. Segmental analysis is therefore not presented.

The group is not reliant on any one customer and no customer exceeds 10% of total annual turnover.

The group generates revenue from both the UK and overseas as detailed below:

	6 month period ended 30 June 2021 £	6 month period ended 30 June 2020 £
UK	27,834,575	18,328,393
Other EU	201,569	45,689
Rest of the World	-	-
	28,036,144	18,374,082

4. Other Operating Income

	6 month period ended 30 June 2021 £	6 month period ended 30 June 2020 £

Sundry income	-	27,393
Government grants received	179,850	723,004
	179,850	750,397

Government grants represent income receivable from central government under the Coronavirus Job Retention Scheme to cover some of the costs of employing certain members of staff placed on furlough leave in response to the COVID-19 pandemic.

5. Operating Profit / (loss)

Operating profit/(loss) is stated after charging:

	6 month period ended 30 June 2021 £	6 month period ended 30 June 2020 £
Depreciation of property, plant and equipment	730,749	785,951
Amortisation of intangible assets	143,714	143,714
Share based payments	48,290	74,541
Impairment of inventories	62,915	-
Acquisition costs	-	21,195

6. Taxation on Ordinary Activities

Tax is calculated at 19% for the six months ended 30 June 2021 representing the best estimate of the average annual effective tax rate expected to apply for the full year. No income tax is expected in the period given the losses incurred by the Group.

The Group has tax losses available to be carried forward. Due to uncertainty around timing of the Group's projects, management have not considered it appropriate to recognise all losses as an asset in the financial statements. A deferred tax asset of £1,682,996 was not recognised at 31 December 2020.

7. Earnings Per Share

Basic profit/(loss) per share is based on the profit after tax for the period and the weighted average number of shares in issue during each period.

	6 month period ended 30 June 2021 £	6 month period ended 30 June 2020 £

Profit/(loss) attributable to equity holders of the company	302,677	(2,404,022)
Weighted average number of shares in issue	No. 152,365,428	No. 152,341,994
	Pence per share	Pence per share
Basic profit/(loss) per share (pence)	0.20	(1.60)
Diluted profit/(loss) per share (pence)	0.20	(1.50)

8. Dividends

No dividends were declared for the period to 30 June 2021 (2020 - £Nil).

9. Intangible Assets

	Goodwill
	£
Cost and net book value	
At 31 December 2020	4,216,728
Impairment	-
Amortisation	-
At 30 June 2021	4,216,728

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The Directors have considered the impact of the global pandemic on the value of the goodwill but did not consider that there was any impairment required as at 30 June 2021 (31 December 2020 - £Nil).

10. Other Intangible Assets

Net book value	Heatseam Customer Base £	Heatseam Brand name £	Total £
At 31 December 2020	1,874,742	1,933,683	3,808,425
Impairment	-	-	-
Amortisation	(70,745)	(72,969)	(143,714)
At 30 June 2021	1,803,997	1,860,714	3,664,711

The Directors have considered the impact of the global pandemic on the value of other intangibles but did not consider that there was any impairment required as at 30 June 2021 (31 December 2020 - £Nil).

11. Property, Plant and Equipment

	Land and buildings £	Other owned assets £	Right-of-use assets £	Total £
Net book value				
At 31 December 2020	4,050,000	1,933,797	5,272,802	11,256,599
Additions	-	387,774	5,336,532	5,724,306
Depreciation	(33,628)	(216,555)	(480,566)	(730,749)
Revaluation	33,628	-	-	33,628
At 30 June 2021	4,050,000	2,105,016	10,128,768	16,283,784

12. Loans and Borrowings

	Consolidated	
	30 June 2021 £	31 December 2020 £
Current borrowings - Secured		
Bank loans and invoice discounting facility	1,774,240	1,192,212
Lease liabilities	1,755,348	1,032,354
	3,529,588	2,224,566
Non-current borrowings - Secured		
Bank loans	1,710,833	1,779,668
Lease liabilities	9,369,376	4,969,987
	11,080,209	6,749,655

The directors consider that the carrying amount of the invoice discounting facility and bank loan approximates their fair value.

The invoice discounting facility is secured against the related trade debtor balances and by a floating charge over the assets of the Group. The invoice discounting facility is denominated in Sterling and Euro.

The overdraft facility is secured by a floating charge over the assets of the Group.

	Carrying Amount	
	30 June 2021	31 December 2020
	£	£
Amounts repayable under bank loans		
Within one year	136,634	98,948
In the second to fifth year inclusive	588,757	580,147
Beyond five years	1,122,076	1,199,521
	1,847,467	1,878,616

The effective interest rates paid were as follows:

The invoice discounting facility for William Armes Limited has service charges of 0.2% of the notified value of the related debt subject to a minimum service charge of £500 per month. The invoice discounting facility for Heatseam Limited has a fixed service charge of £18,000 per annum.

During 2018 the Parent Company obtained a bank loan of £2,280,000. Repayments commenced on 5th August 2018 and will continue until 5th January 2033. The loan is secured by a fixed and floating charge over the Group's assets. The loan carries interest on a floating rate basis with interest at Bank of England rate plus a margin of 2.95%.

A twelve month capital repayment holiday was granted on the bank loan effective April 2020. Interest payments were made throughout the period with capital repayments recommencing in April 2021. There were no defaults of the loan during the period.

13. Provisions

	Dilapidations provision
	£
At 31 December 2020	382,722
Charged to profit or loss	-
Utilised during the period	(142,144)
At 30 June 2021	240,578

All provisions are considered to be due within one year.

14. Share Capital

Consolidated and Company **Allotted, called up and fully paid**	30 June 2021 No.	31 December 2020 No.
Ordinary shares of £0.01 each (2020: Ordinary shares of £0.01 each)	152,374,194	152,341,994

The Company has one class of ordinary share which carry no right to fixed income.

During the period the Company issued 32,200 new £0.01 Ordinary Shares for consideration of £0.10 per share resulting in an increase in share premium of £2,898.

15. Share-based Payments

Equity settled share option plan

The Company has a Savings-Related Share Option Plan ("SAYE") for all employees of the Group. In accordance with the terms of the plan, as approved by shareholders, employees of the Group may be granted options to purchase ordinary shares. There are no performance criteria for the SAYE and options are issued to participants in accordance with HMRC rules. Vesting is conditional on continuity of service.

During 2019, the Company issued 6,397,546 options, including 600,000 options to directors, at a weighted average option price of £0.13 per share. As at 1 January 2021, 5,057,729 options remained in issue. During the current period no new options were issued, 1,200,000 options lapsed due to non-payment of contributions for more than 12 months as per the rules of the scheme, 87,799 options lapsed and 32,200 options were exercised on employees leaving the Group. The remaining contractual life of the remaining 3,737,730 options is approximately 3.5 years.

In addition, at 1 January 2021, 9,065,000 options were in issue under Enterprise Management Incentives (EMIs). During the year a further 1,735,000 new options were issued at an option price of £0.18 per share and 50,000 options lapsed on employees leaving the Group. The remaining contractual life of the remaining 10,750,000 options is approximately 3.5 years. No options were exercised in the period.

Share options are valued using the Black-Scholes model. The inputs to the model are the option price and share price at date of grant, expected volatility (20%), expected dividend rate (0%) and risk free rate of return (4%). The model has been adjusted for expected behavioural considerations.

The cost of options is amortised to the Statement of Comprehensive Income over the service life of the option resulting in a charge of £48,290 for the period.

A deferred tax asset has not been recognised in relation to the charge for share based payments.

16. Retirement Benefit Plans

Defined benefit scheme

William Armes Limited, a subsidiary of the Group since 9 January 2018, operates a pension scheme providing benefits based on final pensionable pay. The Scheme is closed to new members and is closed to future accrual. For pensions earned after 5 April 1997 and for Guaranteed Minimum Pensions earned between 6 April 1998 and 5 April 1997, increases in payment will be in line with CPI rather than RPI. Revaluations of pensions in deferment are linked to RPI.

The assets of the Scheme are held separately from those of the Group in trustee-administered funds. The level of contributions is determined by a qualified actuary on the basis of triennial valuations. The latest full valuation was completed by an independent actuary on 31 December 2017.

The latest set of workings and assumptions can be found in the full Likewise Group Plc financial statements to 31 December 2020. At 31 December 2020, there was no recognition on the statement of financial position as the pension scheme assets equalled the defined benefit obligation. An updated valuation could not be obtained at 30 June 2021 and so no further disclosure has been made in this set of interim financial statements.

17. Related Party Transactions

Key management personnel remuneration is disclosed as follows:

	6 month period ended 30 June 2021 £	6 month period ended 30 June 2020 £
Remuneration of key management		
Remuneration	298,329	288,687
Social security costs	37,099	37,198
Company pension contribution to defined contribution schemes	30,675	30,675
Share based payments	-	-
	366,103	356,560

18. Post Balance Sheet Events

On 18 August 2021, Likewise Group Plc delisted from The International Stock Exchange (TISE) and listed on the AIM market of the London Stock Exchange raising £10,000,000 gross proceeds from the initial placing of 40,000,000 Ordinary Shares for consideration of £0.25 per share.

The COVID-19 pandemic continued to impact the Group following the year end - please see the trading update for further narrative on this matter.

The Board do not believe that there has been any material impact on long term asset values in the business as a result of the pandemic.