COMPANY ANNOUNCEMENT

FOR IMMEDIATE RELEASE

30 October 2020

Likewise Group PLC

Re: Publication of Unaudited Interim Report & Financial Statements for the six months ended 30 June 2020

The Board hereby announces the Group's unaudited consolidated results for the six months ended 30 June 2020.

Roy Povey

Company Secretary
Roy.povey@likewiseplc.com

COMPANY REGISTRATION NUMBER: 08010067

Unaudited Interim results for Likewise Group plc

FOR THE SIX MONTHS ENDED 30 JUNE 2020

Current Trading, Update and Outlook.

During the course of 2020, the Group has navigated carefully through the impact of the COVID-19 pandemic, having maintained employment, established profitability and increased cash resources. Management has also used this period to make significant improvements to IT, logistics and operations throughout the Group.

During Q1 2020 the Matting businesses were successfully integrated into the Freehold Distribution Centre in Sudbury. Now operating as one cohesive business, it is performing ahead of planned profitability for H2 2020. The appropriate operational structure is established and the business is accumulating a robust order book for the Q4 2020.

As planned, the acquisition of Heatseam in the Spring of 2019 has given the Group critical mass in the residential flooring market. It has also provided a platform for carpet, vinyl, artificial grass, laminate and luxury vinyl tile products to be distributed to our other businesses in the UK.

Our two warehouses in Dewsbury have been restructured and to further enhance the operations we have now agreed to move to a single site Distribution Centre in Morley, Leeds. This will be fully operational in January 2021, providing significantly improved material handling capabilities with the additional benefit of all logistics and administration being in one location.

With the introduction of the preferred IT System into Heatseam over the weekend of 3 October, it will complete the conversion onto a single IT Platform for all nine businesses acquired and established up to December 2019.

The introduction of a single IT system and improved logistic planning, now provides a streamlined network between all locations from the Dewsbury residential Hub to the operations in Glasgow, Newcastle, Daventry, Sudbury and Peckham.

All of the new Likewise branded businesses established in 2019 are now profitable and ahead of their respective budgets for H2 2020, providing a strong foundation for development into 2021.

The performance of the A&A business based in Manchester and acquired in February 2020 has been particularly encouraging and is trading well ahead of our expectations. We continue to invest in Point of Sale Display to strengthen its position with independent flooring retailers. The success of this acquisition provides a model for other similar opportunities in the future.

The profitability and cash generated in Q3 2020 has been significantly ahead of our budget and expectations. Whilst Q4 will also be profitable it is not expected that the H2 profit will be greater than the losses generated in H1.

The Group has grown rapidly over the last two years and whilst facing the challenges of business integration, new start-ups and a global pandemic, the foundations are now in place to create a much larger business.

Notwithstanding the economic uncertainty due to COVID-19 the Group now has a much stronger platform to take advantage of the future opportunities and is confident of growing through organic development combined with appropriate acquisitions.

COVID-19

In response to the COVID-19 pandemic the Board implemented contingency measures to ensure the health and wellbeing of its employees while maintaining services to customers.

All normal operations and activities were closed at 5pm on Wednesday 25th March 2020. The Group retained a small number of employees to be available at Dewsbury and Sudbury to facilitate any necessary orders required for essential services.

All staff were advised of the furlough procedures with a limited number being retained and working from home, in addition to the small number referred to above. All staff subject to furlough received a minimum of the government's payment under the Coronavirus Job Retention Scheme.

The Group has 206 employees of which 85% were originally furloughed.

Senior management and executives have taken a short-term salary reduction to be reviewed as matters evolve.

In April sales revenue was 30.7% and in May 54.8% of the original Budget, in June this improved to 85% and Q3 sales have been ahead of our original budget.

Over the last few months our management have been particularly “hands on” with reduced staff levels, allowing all of our sites to operate. We would like to thank management and staff for their huge contribution during this unprecedented period.

We have followed Government Guidelines on Covid-19 in order to provide all employees with appropriate working conditions and availability of PPE. Delivery drivers have been fully briefed on procedures when arriving at customers.

A revised Budget from 1st July has been agreed for the second half of 2020. Whilst market conditions are difficult to predict, this reasonably prudent Budget produces a positive profit performance for this period.

Working capital management has been monitored daily. Whilst maintaining service levels we have been able to reduce stock. Cash collection was challenging in April as many customers were closed but this has gradually improved and we have been able to manage our cash position well within pre-Lockdown Budgeted levels.

The board has considered the impact of COVID-19 on its inventory levels, the trade receivables and goodwill through the review of cashflow forecasts through to December 2021. The board has concluded that as trading has returned to near normal levels, no impairment adjustment is required.

We very much appreciate the support of our employees, suppliers, customers and shareholders as we navigate through this period of our business development.

LIKEWISE GROUP PLC

Officers and professional advisers

The board of directors	R Povey P P S Bassi A J Brewer A J W Simpson
Company secretary	R Povey
Registered office	Unit 6 Topaz Business Park Birmingham Road Bromsgrove B61 0GD

LIKEWISE GROUP PLC

Unaudited Consolidated Statement of Comprehensive Income

	Notes	6 month period ended 30 June 2020 £	6 month period ended 30 June 2019 £
Revenue	3	18,374,082	10,568,195
Cost of sales		(14,215,212)	(7,549,798)
Gross profit		4,158,870	3,018,397
Distribution costs		(338,446)	(518,387)
Administrative expenses		(6,555,461)	(3,540,387)
Other operating income	4	750,397	32,445
Operating loss		(1,984,640)	(1,007,932)
Loss on revaluation of consideration on acquisition		(338,440)	-
Finance costs		(80,942)	(47,797)
Loss before taxation		(2,404,022)	(1,055,729)
Taxation	5	-	-
Loss for the financial period		(2,404,022)	(1,055,729)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial loss on defined benefit schemes		-	-
Revaluation of land and buildings		31,878	-
Total comprehensive income for the financial period		(2,372,144)	(1,055,729)
Total comprehensive income for the financial period attributable to:			
The company's equity shareholders		(2,372,144)	(1,055,729)
Earnings per share			
Basic and diluted profit per share	6	(0.02)	(0.01)

LIKEWISE GROUP PLC

Unaudited Consolidated Statement of Financial Position

	Notes	30 June 2020 £	31 December 2019 £
Assets			
Non-current assets			
Intangible assets	8	4,216,728	4,028,287
Other intangible assets	8	3,954,438	4,098,416
Property, plant and equipment	9	5,529,052	5,145,318
Right-of-use assets		2,604,121	1,215,428
		16,304,339	14,487,449
Current assets			
Inventories	10	7,391,122	8,759,741
Trade and other receivables		7,120,365	6,522,694
Cash and cash equivalents	11	1,875,799	746,014
		16,387,286	16,028,449
Current liabilities			
Trade and other payables		(13,568,957)	(11,262,587)
Lease liabilities		(997,602)	(771,189)
Borrowings	12	(1,272,776)	(617,756)
		(15,839,335)	(12,651,532)
Net current assets		547,952	3,376,917
Non-current liabilities			
Borrowings	12	(1,851,765)	(1,765,522)
Deferred tax liability		(781,881)	(819,097)
Lease liabilities		(2,138,890)	(869,220)
		(4,772,536)	(3,453,839)
Net assets		12,079,755	14,410,527
Equity			
Share capital	13	1,523,420	1,523,420
Share premium		13,389,295	13,389,295
Warrant reserve		128,170	128,170
Share option reserve	16	165,115	90,574
Revaluation reserve		902,514	871,514
Retained earnings		(4,028,759)	(1,592,446)
Total equity		12,079,755	14,410,527

These interim financial statements were approved by the board of directors and authorised for issue on: 30th October 2020

A J Brewer
Director

Company registration number: 08010067

Likewise Group plc

LIKEWISE GROUP PLC

Unaudited Consolidated Statements of Changes in Equity

30 June 2020

Consolidated	Share capital £	Share premium account £	Revaluation reserve £	Retained earnings £
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)

Consolidated	Share option reserve £	Warrant reserve £	Total £
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

30 June 2019

Consolidated	Share capital £	Share capital to be issued £	Share premium account £	Revaluation reserve £	Retained earnings £	Total £
Balance at 1 January 2019	500,000	800,000	200,100	48,257	1,142,417	2,690,774
Loss for the period	-	-	-	-	(1,055,729)	(1,055,729)
Shares issued	1,023,420	(800,000)	13,349,419	-	-	13,572,839
Balance at 30 June 2019	1,523,420	-	13,549,519	48,257	86,688	15,207,884

Likewise Group plc

LIKEWISE GROUP PLC

Unaudited Consolidated Statements of Cash Flows

	Consolidated 6 month period ended 30 June 2020 £	6 month period ended 30 June 2019 £
Cash flows from operating activities		
Loss before tax for the period	(2,404,022)	(1,055,729)
Adjustments for:		
Depreciation and amortisation	929,665	61,008
Revaluation of consideration	338,440	-
Finance costs	80,942	47,797
	(1,054,975)	(946,924)
Decrease/(increase) in inventories	1,675,873	(727,379)
(Increase)/decrease in trade and other receivables	247,053	(402,250)
(Decrease)/increase in trade and other payables	1,123,559	1,410,331
Cash flows from operations	1,991,510	(666,222)
Income tax paid	-	-
Net cash (outflow)/inflow from operating activities	1,991,510	(666,222)
Cash flow from investing activities		
Purchase of property, plant and equipment	(396,110)	(1,125,346)
Cash payments to acquire subsidiaries	(754,812)	(10,512,361)
Net cash used in investing activities	(1,150,922)	(11,637,707)
Net cash flow from financing activities		
Interest paid	(80,942)	(47,797)
Consideration for new shares	-	13,572,839
Share options issued	74,541	-
(Decrease)/increase in invoice discounting	868,902	154,152
(Repayment of)/new lease liabilities	(414,271)	908,079
(Repayment of)/new loans		(265,218)
Net cash inflow/(outflow) from financing activities	448,230	14,322,055
Effect of exchange rate	(31,394)	
Net increase in cash and cash equivalents	1,257,424	2,018,126
Cash and cash equivalents at the beginning of financial year/period	618,375	122,874
Cash and cash equivalents at end of financial year/period	1,875,799	2,141,000
Comprising		
Cash at bank	1,875,799	2,141,000
Bank overdrafts	-	-
	1,875,799	2,141,000

LIKEWISE GROUP PLC

Notes to the financial statements

Period ended 30 June 2020

1 General information

The Company is a public company limited by shares, registered in England and Wales. On 11 January 2019, the Company listed on The International Stock Exchange (TISE). The registered company number is 08010067 and the address of the registered office is Unit 6 Topaz Business Park, Birmingham Road, Bromsgrove, England, B61 0GD.

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 2020 to 30 June 2020 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 2019 and those expected to be applied for the year ended 31 December 2020 unless otherwise stated below.

The comparatives shown are for the period 1 January 2019 to 30 June 2019, and 31 December 2019 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 2019.

A copy of the Company's statutory accounts for the year ended 31 December 2019 has been delivered to the Registrar of Companies and the accounts are available to download from the Company website at www.likewiseplc.com/financial-reports.

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.

Going concern

On 11 January 2019, the parent company listed on The International Stock Exchange (TISE) raising £7 million through an offer for subscription of shares. On 18 April 2019, the Company allotted a further 30,000,000 new £0.01 Ordinary Shares for consideration of £0.25 per share, totalling £7,500,000.

At the time of issuing the condensed consolidated interim financial statements, the Directors have considered the potential impact of the current social distancing policies and disruption to the Company's operations and those of its customer base. At the present time, there can be no assurance that a disruption in financial markets, regional economies and the world economy would not negatively affect the financial performance of the Company. However, an estimate of the potential impact of these events cannot be quantified at this time.

In April 2020, sales revenue was 30.7%, May 2020 54.8% and June 2020 was 85%, of the original budget. Over the last few months management have been particularly "hands on" with reduced staff levels, allowing all sites to operate. A revised budget from 1st July has been agreed for the second half of 2020. Whilst market conditions are difficult to predict, this reasonably prudent budget produces a positive profit performance for this period. Sales revenue for July 2020 and August 2020 exceeded revised budget.

Based on the listing of the parent company, allotment of shares, and after making enquiries and considering the progress of the Group as detailed above, the directors have a reasonable expectation that the Group will be able to execute its plans such that the Group will have adequate resources to continue in operational existence for the foreseeable future. This provides the directors with assurance on the Group's ability to continue as a going concern, and therefore adopt the going concern basis of accounting in preparing the interim financial statements.

2 Accounting Policies (continued)

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. ECL allowances are distinguished from Likely Credit Loss ("LCL") allowances based on the expectation of a loss. An LCL reserve is established 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 2019:

Past due (days)	31-60	61-90	90-120	Over 120
Discount to Amounts Overdue	0%	0%	5%	50%

During the period, the Coronavirus COVID-19 pandemic has occurred. This has meant that the way the Group extends credit to customers has changed. The Directors have therefore reassessed the ECL Matrix and have applied the following discounts at 30 June 2020.

Past due (days)	31-60	61-90	90-120	Over 120
Discount to Amounts Overdue	0%	0%	0%	16%

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 £723,004 of government grants obtained relating to supporting the payroll of the Group's employees. The Group has elected to present 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

The following new standards, amendments and interpretations are effective for the first time in these financial statements but none have had a material effect on the Group and so have not been discussed in detail:

- IAS 1 Presentation of Financial Statements & IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment)
- IFRS 3 Business Combinations (Amendment)
- Conceptual Framework for Financial Reporting (Revised)
- IBOR Reform and its Effects on Financial Reporting - Phase 1

Amendments have been issued to IFRS16 with regards accounting for rent concessions in relation to COVID-19. This amendment provides an optional practical expedient for leasees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. The Group has not elected to early adopt this amendment to IFRS16 in the interim financial statements.

2 Accounting Policies (continued)

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 2019. These are impairment of trade receivables, accounting for defined benefit pension scheme, inventory valuation, valuation of land and buildings and acquisition accounting.

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 2020 £	6 month period ended 30 June 2019 £
UK	18,328,393	10,530,195
Other EU	45,689	38,000
Rest of the World	-	-
	18,374,082	10,568,195

LIKEWISE GROUP PLC

Notes to the financial statements *(continued)*

Period ended 30 June 2020

4 Other operating income

	6 month period ended 30 June 2020 £	6 month period ended 30 June 2019 £
Sundry income	27,393	32,445
Government grants received	723,004	-
	750,397	32,445

5 Taxation on ordinary activities

Tax is calculated at 19% for the six months ended 30 June 2020 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 £814,877 was not recognised at 31 December 2019.

6 Loss per share

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

	6 month period ended 30 June 2020	6 month period ended 30 June 2019
	£	£
Loss attributable to equity holders of the company	(2,404,022)	(1,055,729)
	No.	No.
Weighted average number of shares in issue	152,341,994	129,483,979
	£	£
Basic loss per share	(0.02)	(0.01)
Diluted loss per share	(0.02)	(0.01)

There are no potentially dilutive ordinary shares and therefore the basic profit per share equals diluted profit per share.

7 Dividends

No dividends were declared for the period to 30 June 2020 (2019 - £Nil).

8 Intangible assets

	Goodwill	Other intangible assets
	£	£
Net book value		
At 31 December 2019	4,028,287	4,098,416
Recognised on acquisition of A&A Carpets Limited	188,441	-
Impairment	-	-
Amortisation	-	(143,978)
At 30 June 2020	4,216,728	3,954,438

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

Amortisation of other intangible assets is charged to the Statement of Comprehensive Income over the useful economic life of the underlying assets resulting in a charge of £143,978 for the period. This is included within administrative expenses.

The Directors have considered the impact of the global pandemic on the value of the goodwill and other intangibles but did not consider that there was any impairment required as at 30 June 2020 (31 December 2019 - £Nil).

9 Property, plant and equipment

During the period the group acquired assets of £617,658. Included within this amount are assets of £221,549 acquired on the purchase A&A Carpets Limited.

The main additions in the year related to capital expenditure within Heastseam for £296,684.

There have been no disposals of assets in the period

10 Inventories

	6 month period ended 30 June 2020	6 month period ended 30 June 2019
	£	£
Amounts of inventories impaired during the period are:	-	47,181

11 Cash and cash equivalents

	Consolidated		Company	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	£	£	£	£
Cash at bank and in hand	1,875,799	746,014	66,034	34,230
	1,875,799	746,014	66,034	34,230

12 Borrowings

	Consolidated	
	30 June 2020	31 December 2019
	£	£
Current borrowings - Secured		
Invoice discounting facility	1,245,925	352,702
Bank overdrafts	-	127,639
Bank loans	26,851	137,415
	1,272,776	617,756
Non-current borrowings - Secured		
Bank loans	1,851,765	1,765,522
	1,851,765	1,765,522

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 2020	31 December 2019
	£	£
Amounts repayable under bank loans		
Within one year	26,851	137,415
In the second to fifth year inclusive	687,078	603,357
Beyond five years	1,164,687	1,162,165
	1,878,616	1,902,937

12 Borrowings ***(continued)***

The effective interest rates paid were as follows:

	2020	2019
Invoice discounting facility	0.2%*	0.2%*
Bank loan	see below	see below

*The invoice discounting facility incurs service charges of 0.2% of the notified value of the related debt subject to a minimum service charge of £500 per month.

The Group has an invoice discounting facilities provided by Barclays and RBS. This is current borrowing and as at 30 June 2020 the amount utilised was £1,245,925 (31 December 2019 - £352,702).

In January 2020, the Heatseam overdraft facility with NatWest Bank was replaced by an RBS invoice discounting facility with a rate of 1.5%. The invoice discounting facility was considered to better suit the day to day working capital requirements of the business medium term.

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 at on a floating rate basis with interest at Bank of England rate plus a margin of 2.95%. The loan balance outstanding as at 30 June 2020 was £1,878,616 (31 December 2019 - £1,902,937).

13 Share capital

Consolidated and Company **Allotted, called up and fully paid**	30 June 2020 No.	31 December 2019 No.
Ordinary shares of £0.01 each (2018: Ordinary shares of £0.01 each)	152,341,994	152,341,994

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

14 Financial instruments

Included in the financial liabilities is deferred consideration for the acquisition of Heastseam Limited which is measured at fair value through the profit and loss. A movement of £338,440 has ben recognised for the 6 month period to 30 June 2020.

15 **Business combination**

On 3 February 2020, the Company acquired the entire issued share capital of A&A Carpets Limited, a distributor of floor coverings, in line with the Group's objective of advancing the commercial and operational reach of the Group. Consideration of £891,770 was paid funded by an intercompany loan arrangement with Heatseam Limited. Net assets acquired had a fair value at acquisition of £703,329 as detailed below. A&A Carpets Limited is expected to contribute annual revenue of approximately £8.6m and profit before tax of £100,000 to the Group.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book Value	Fair Value Adjustment	Fair Value
	£	£	£
Tangible assets	350,819	(129,270)	221,549
Stocks	2,513,689	(2,206,436)	307,253
Debtors	874,724	(30,000)	844,724
Cash	136,958	-	136,958
Deferred tax	37,216	-	37,216
Total assets	3,913,406	(2,365,706)	1,547,700
Creditors due within one year	(1,093,968)	324,597	(769,371)
Dilapidations provision	-	(75,000)	(75,000)
Total identifiable net assets	2,819,438	(2,116,109)	703,329
Goodwill			188,441
Total purchase consideration			891,770
Purchase consideration consists of:			
Cash			891,770
			891,770

The book value of receivables represents both the gross contracted and fair value of amounts receivable. At the acquisition date, the entire book value of receivables was expected to be collected.

Acquisition related costs for the acquisition of A&A Carpets Ltd amounted to £21,195

16 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. The remaining contractual life of the options is approximately 4.5 years. No options were exercised in the period.

In addition, during 2019 the Company granted 2,100,000 share options to directors and 6,665,000 shares to management in the year under Enterprise Management Incentives (EMIs) at a weighted average option price of £0.18 per share. The remaining contractual life of the options is approximately 4.5 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, expected dividend rate and risk free rate of return. 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 £74,541 for the period. This charge is included within administrative expenses.

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

17 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 2019. At 31 December 2019, 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 2020 and so no further disclosure has been made in this set of interim financial statements.

18 Related party transactions

Key management personnel remuneration is disclosed as follows:

	6 month period ended 30 June 2020 £	6 month period ended 30 June 2019 £
Remuneration of key management		
Remuneration	288,687	317,800
Social security costs	37,198	43,856
Company pension contribution to defined contribution schemes	30,675	39,675
Share based payments	-	-
	356,560	401,331

19 Post balance sheet events

There were no subsequent events to be disclosed in the interim financial statements.